

Deloitte 2010 Corporate Responsibility Report
Vision, values, responsibility

Contents

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited (DTTL) and its member firms.

DTTL member firms provide audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries.

With member firms in more than 140 countries, the Deloitte network brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. DTTL member firms' approximately 170,000 professionals are committed to becoming the standard of excellence.

As of the fiscal year ended 31 May 2010, Deloitte had aggregate member firm revenues of US\$26.578 billion (US\$26.6B).

As used in this report, "Deloitte" means Deloitte Touche Tohmatsu Limited (DTTL) and its member firms.

A letter from the DTTL Chairman	1
Our approach	2
• Introduction	3
• Vision, values, and management	4
• How we report	6
Contributions to society	8
• Business effectiveness	9
– As One delivery	9
– Core business contributions	10
• Well-functioning markets and economies	11
– Contributing to regulation	11
– Building a sustainable future	12
• World-class people	14
– People commitment	14
– Addressing the education and skills gap	15
Conditions for success	16
• Ethics	17
• Quality and risk management	18
• Independence	19
• Talent management	20
• Environmental sustainability	21
• Security and data protection	22
Additional disclosures	23
• Performance	24
• Methods and scope	26
• Organization and governance	27
• Global presence	29
• United Nations Global Compact content index	30
• Global Reporting Initiative content index	31



A letter from the DTTL Chairman of the Board

John P. Connolly



Welcome to Deloitte's second global corporate responsibility report.

As the DTTL Chairman of the Board, it is very important to me that Deloitte's impact on society is central not only to our business strategy but also to our everyday decisions. I consider my role as Chairman of Deloitte's Global Corporate Responsibility Council to be a privilege, and I am proud of the contribution that Deloitte member firms make to society not only through their core business, but by serving the interests of the public in many other ways. I believe this sense of responsibility has helped Deloitte become the world's largest professional services network.

Deloitte's vision is and has always been to achieve the standard of excellence. We know that to get there and to maintain that status, we must continue to advance the positive social and environmental conditions that allow all members of society to thrive. A commitment to responsible business must therefore guide all of our activities, from client service to talent development and engagement, in resolving global challenges.

The 2010 report shows that we have made some excellent progress based on our shared values of integrity, outstanding value to markets and clients, commitment to each other, and strength from cultural diversity. We think we have achieved a lot to be proud of in the last 12 months, but of course we will not stop there. We will strive to improve performance on these key issues, and we will continue to share these plans with you.

I think the report makes interesting reading, and I would very much like to hear your opinion. Please send your feedback to me at globalcorporateresponsibility@deloitte.com.

Regards,

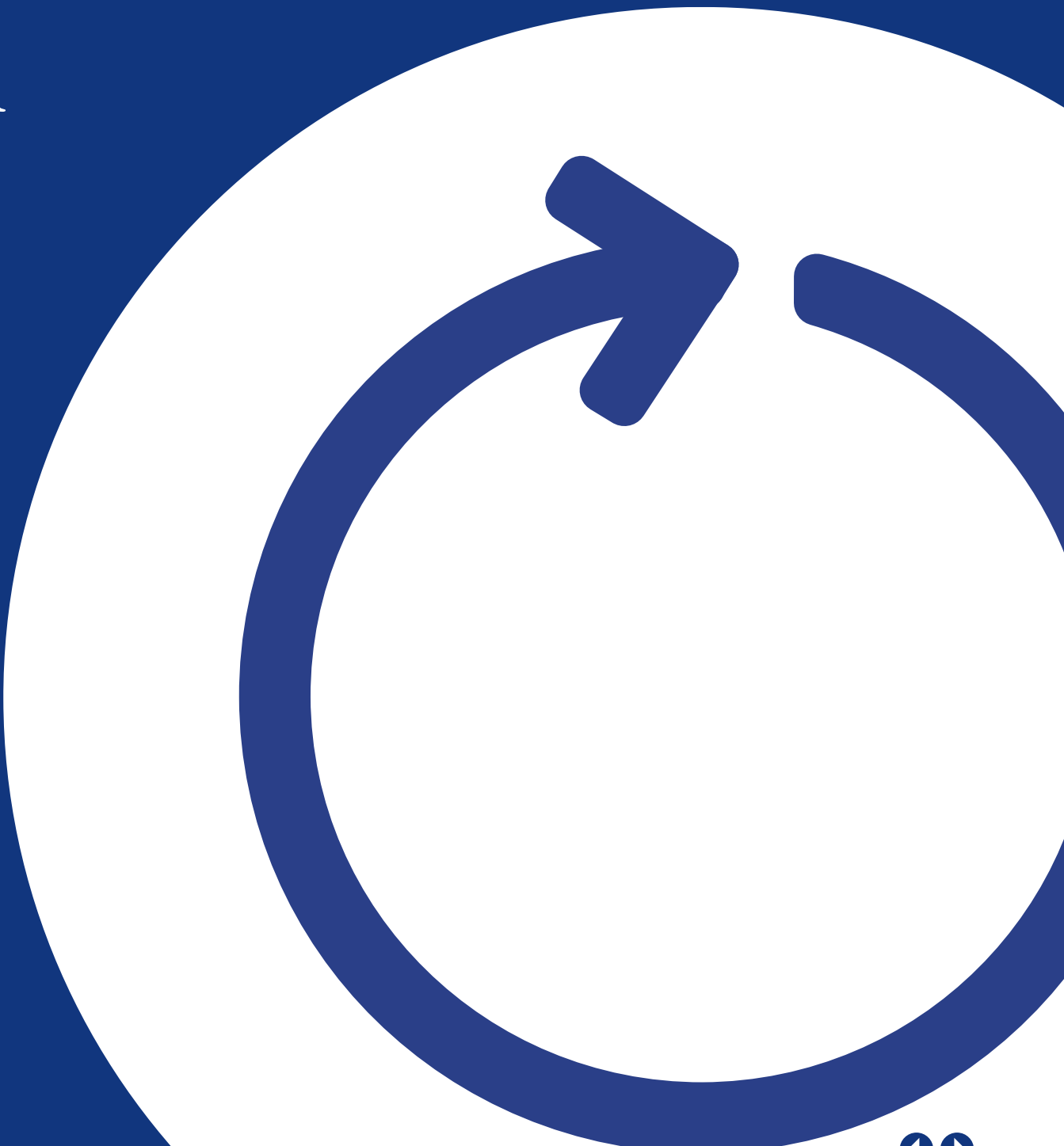
A handwritten signature in black ink that reads "John P. Connolly". The signature is written in a cursive style.

John P. Connolly
DTTL Chairman

December 2010

Our approach

Deloitte's corporate responsibility agenda is grounded in the organization's vision and values, directed by senior leaders, and managed according to recognized standards.



Introduction

As economies begin to recover from one of the most serious downturns in recent history, corporations, public sector organizations, and individual professionals are facing pressure to direct themselves beyond self-interest and toward advancing the common good. Public trust in business reached a significant low following the financial crisis and the global recession it triggered.

For those organizations working to play a central role in restoring confidence and economic stability and in promoting ethical accountability, we believe that business must do more than comply with new rules introduced by governments and regulators. Changing policies and processes or providing additional staff training is only part of the solution. Signing pledges or instituting programs of social services and eco-efficiency can help begin orienting a company toward responsible behavior, but they can only go so far. Above all, companies concerned with being responsible corporate citizens in a globalized world should examine their missions and values and seek to make responsibility and ethics integral to core business strategy.

We believe that the role Deloitte plays in business transparency promotes trust among businesses and across business, government, and society. By helping companies operate more effectively, member firms promote economic growth and job creation. To deliver these contributions to society is a responsibility and a privilege that we embrace. Accordingly, we are committed to upholding our shared values and ethical principles, attracting the best talent, and engaging partners, directors, managers, and staff at every level in Deloitte's contribution to building a thriving global society.

“We know that the global economy cannot function effectively without fundamental trust and confidence among all its participants and stakeholders. Deloitte is honored to work with governments, regulators, and clients around the world to create and sustain regulatory and operating frameworks that contribute to well-functioning markets and economies, underpinned by trust and confidence. We are especially focused on helping organizations understand the connections between high performance and the key drivers of economic prosperity, including jobs, stability, competitiveness, and innovation.”

Jim Quigley, DTTL CEO



Vision, values, and management

Our vision is unchanging: we aspire to be the Standard of Excellence, the first choice of the most sought-after clients and talent.

Deloitte's commitment to the public interest stretches back to the origins of our organization. Today Deloitte remains acutely aware of its role in safeguarding the public interest. Deloitte member firms are focused on quality and innovation in order to build and maintain trust with companies, investors, and wider society. We believe that without a bedrock of trust from the broader business community and organizations like Deloitte, a strong and flourishing society is not possible.

The Deloitte Shared Values bind the people of the Deloitte member firms together, providing the basis for trusting each other and enabling the network to achieve its vision. As part of the largest professional services organization in the world, Deloitte member firms maintain a relentless focus on integrity and quality, with the aim of helping their clients and the capital markets achieve better performance.

Acting with the highest level of integrity is fundamental to who we are. Deloitte's understanding of integrity includes a strong commitment to sustainable, responsible business practices.

Our Shared Values are underpinned by the nine Ethical Principles of the Deloitte member firms. These principles codify the standards of behavior for Deloitte's leaders and people, providing guidance on matters of professional conduct, including confidentiality, competence, objectivity, and leadership. The Ethical Principles support a culture of excellence and accountability that includes responsibility to wider society.

The Deloitte Shared Values

Integrity

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

Outstanding value to markets and clients

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

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

Strength from cultural diversity

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

The DTTL global corporate responsibility policy aligns the member firms around a common notion of how the Deloitte network will enact its responsibilities to its people, to the business world, and to society at large. Each member firm is required to adopt the DTTL global corporate responsibility policy and bring it to life by applying it locally.

John Connolly, Chairman of the DTTL Board of Directors, leads DTTL's Global Corporate Responsibility Council, which comprises senior representatives from 18 member firms as well as global functions including ethics, public policy, talent, sustainability and climate change services, and brand. The DTTL Chairman's leadership binds the council to the board, which is DTTL's highest governance body. This link helps DTTL's leadership take into account the impact of Deloitte member firms' business on national economies, capital markets, the wider society, and the environment in the network's strategic planning and decision-making processes.

In the wake of recent, significant market changes, among other things, DTTL leadership initiated a refresh of Deloitte's global strategy, resulting in the As One strategy. DTTL conducted extensive interviews with DTTL leaders, member firms' partners, and other stakeholders. The As One strategy is designed to secure Deloitte's leadership for the future, within the context of the economic, political, and social trends that will shape our operating environment. A team of more than 70 Deloitte people engaged thousands of member firm partners and professionals in surveys, interviews, focus groups, and working sessions during this process, and the findings have established the key issues that Deloitte will engage with over the next five years.

DTTL Global Corporate Responsibility Policy

As leading professional services organizations, the Deloitte Touche Tohmatsu Limited (DTTL) member firms have much to contribute to public policy, business, and society throughout the world.

As such, we respect human dignity and expand our capabilities through inclusion and cultural diversity. We promote the highest levels of ethical behavior, advance education and culture, and advocate sustainable use of natural resources and respect for the environment.

We demonstrate this through:

- Investments in our people
- The advice and services we provide to clients
- Environmentally sustainable operations
- Commitment to our local communities and the wider society

How we report

Corporate responsibility reporting helps Deloitte to be more accountable to stakeholders inside and outside the organization. We believe that by reporting regularly, we can both better manage our impacts on the world and drive stronger business performance.

Stakeholder dialogue enables Deloitte to make sure that our activities are interpreted fairly, to address concerns that stakeholders might have, and to recalibrate our priorities and communications if we are seen to fall short in critical areas. While DTTL and its member firms regularly engage with stakeholders about business topics of interest to them, we are committed to initiating broader dialogue with stakeholders about Deloitte's role in society. The DTTL corporate responsibility team is working with leadership to mainstream societal issues into our established stakeholder engagement approaches.

Deloitte's most important stakeholders are its people and member firm clients. Also important are stakeholders that have significant influence on our organization, such as governments and regulators, and institutions that Deloitte works with on wider societal issues. We identified these stakeholders through internal interviews with DTTL leaders, including the DTTL Executive and Board, leaders of global functions, and member firm officers working on corporate responsibility, as well as outside discussions with civil society organizations. These consultations helped us gain specific insights into issues that stakeholders have been most concerned with during the course of this year, as well as associated risks and opportunities.

Primary stakeholder groups	Engagement approach	Insight gained	Type of response
Current, former, retired, and prospective Deloitte employees	People Survey (annual) Meetings with supervisors and management (typically, at least semiannually) Alumni network (ongoing) Social media (ongoing) Campus events and job fairs (multiple times per year)	Factors that influence levels of engagement Ethical awareness Areas for improvement Issues that influence candidates' choice of employer	Develop and expand talent programs Address concerns Set management priorities with a focus on areas for improvement <i>See pages 14 and 20 for more</i>
Member firm clients	Client satisfaction processes (typically annual and after many engagements) Business development (ongoing) and proposal processes (when invited)	Service approaches favored by clients Service needs of clients Areas for improvement	Member firm collaborative approach to service delivery New service offerings Improved client communication <i>See pages 9 and 10 for more</i>
Community organizations and global advocacy groups	Participation in projects that address shared challenges (upon agreement) Board and advisory positions (ongoing)	Insight into wider issues affecting society Inspiration for future initiatives Input into better practices	Shaping activities and adopting new approaches to achieve shared outcomes Member firm pro bono service provision and other investment of resources <i>See pages 12-15 for more</i>
Government and regulators	Contribution to shaping of new regulation (ongoing) Collaboration on policy (ongoing)	Future legislative and regulatory intentions	Helping shape appropriate and effective legislation Developing services Advising clients <i>See page 11 for more</i>
Professional bodies	Representation on leadership councils (when invited) Involvement in committees and working groups (when invited)	Evolving standards in accounting and auditing Talent development requirements Certification and licensing procedures	Influencing professional standards Participation in solving shared challenges <i>See pages 18-19 for more</i>

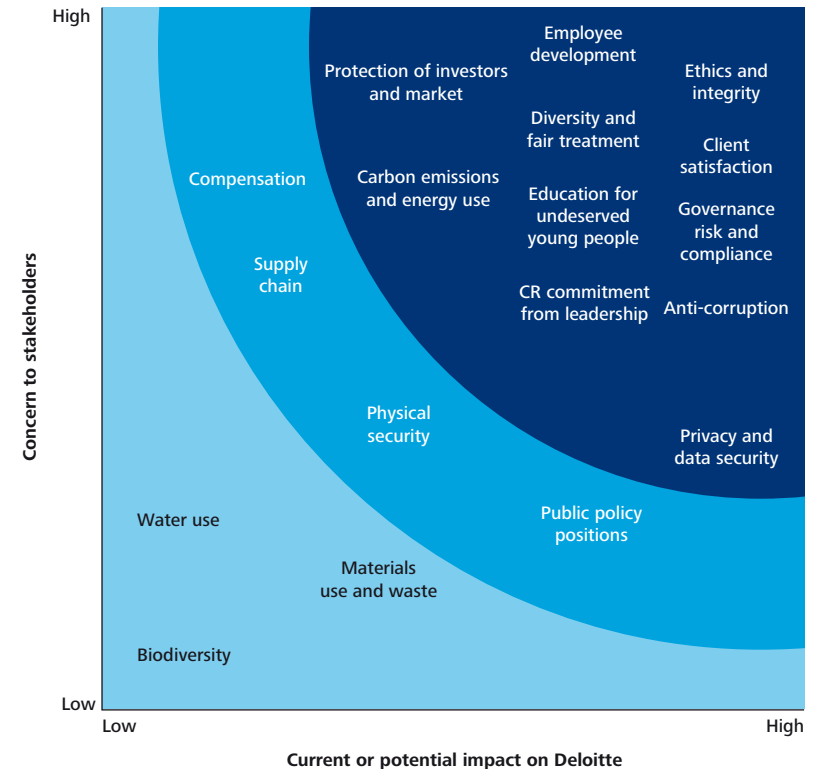
The consultations described on the previous page, as well as the extensive stakeholder engagement efforts conducted during the As One strategy initiative, have provided DTTL with the basis for gauging the materiality of societal issues from two perspectives: that of senior DTTL leadership and that of DTTL's stakeholders. The diagram on this page illustrates the materiality of societal issues for Deloitte across the network of member firms. This report addresses our activities and performance relating to the most material issues.

This report has been prepared according to the G3 Guidelines of the [Global Reporting Initiative \(GRI\)](#). GRI has checked our application of these guidelines and confirmed that the report meets the requirements for Application Level B. A GRI index can be found on page 31.

In preparing the report, we also considered the AA1000 AccountAbility Principles Standard (AA1000APS). The table below sets out our application of these principles.

AA1000 Principle	What this means for DTTL
Inclusivity – Involving our stakeholders in developing and achieving an accountable, strategic response to sustainability	Understand the interests and concerns of Deloitte and its stakeholders that depend on and influence them
Materiality – Determining the relevance and significance of issues for DTTL and its stakeholders	Analyze business issues in a social context and determine which influence the decisions, actions, and performance of Deloitte and its stakeholders
Responsiveness – Implementing actions and communications that respond to material issues	Report meaningful information about management and performance for material issues for Deloitte

This report is designed to be DTTL's Communication on Progress to the [United Nations Global Compact](#). A full contents table relating to the principles of the UN Global Compact appears on page 30.



- High-materiality issue: Addressed by Deloitte strategies and programs and described in this report
- Medium-materiality issue: Actively managed by Deloitte and discussed with constituencies that have a direct stake
- Low-materiality issue: Monitored or managed by Deloitte through policies and programs but not a subject of regular dialogue



Contributions to society

Through its core business activities, Deloitte provides a vital contribution to the effectiveness of companies, industries, and capital markets that helps drive job creation and economic prosperity. Deloitte's investments in people and in solutions to shared global challenges contribute to the well-being of the wider society.



Business effectiveness

As One delivery

Realizing the Deloitte vision of being the Standard of Excellence involves executing to high standards everywhere that member firms serve clients. We are committed to quality and excellence across borders, whatever the regulatory framework, per capita GDP, or social challenges of a given market. As any decentralized global organization knows, that is no small challenge.

The As One strategy places consistency of cross-border service delivery at the center of our value proposition. While social norms and cultural institutions are richly diverse across the territories where member firms do business, Deloitte's Shared Values and Ethical Principles are established in every member firm, and our institutional knowledge is available to all Deloitte people. The As One strategy is designed to respond to clients' increasingly complex needs, and to enhance the member firm network's ability to seamlessly deliver world-class services in a globalized marketplace.

The DTTL Global Clients team, headed by Steve Almond, DTTL Deputy CEO, facilitates cross-border connectivity by providing client service standards, information, and guidance on coordinated support. The cross-border service program includes a central repository of information on global client engagements, an information desk, and a formal approach to setting out service delivery standards specific to a given client.

Member firms are responsible for managing relationships with clients headquartered within their territories, which entails seeing that services are aligned with global policies and standards. During FY10, DTTL formalized the responsibilities that member firms have for overseeing cross-border service excellence by establishing a policy requiring member firm leaders to determine that their firms are properly serving designated global clients.

The Lead Client Service Partner, or LCSP, is the member firm partner who holds overall responsibility for the relationship between a client and the Deloitte member firms. While LCSPs have played a pivotal role in leading client relationships for years, FY10 saw the institution of several measures that further detail and seek to drive consistency around the specific commitments and responsibilities required to fulfill the role:

- A DTTL global policy now defines the roles and responsibilities of LCSPs who serve global clients
- A Global Service Charter now provides guiding principles for LCSP and member firm behaviors
- A centralized process is now in place for measuring the performance and contributions of OCEO, D25, and D300 LCSPs, particularly outside the boundaries of their respective home countries, and for providing LCSPs with practical feedback

“The real power of the Deloitte As One strategy is when member firms combine their skills and work in teams across borders to deliver an unbeatable client service experience.”

John Connolly, DTTL Chairman

Cross-border reach

In FY10, Deloitte member firms expanded their service territories to 147 countries (from 140), while reducing the number of member firms from 55 to 53. Clustering and restructuring member firms on a regional basis helps them coordinate service delivery within and across regions.

The most globally significant clients on member firms' rosters are known as Office of the CEO (OCEO), Deloitte 25 (D25), and Deloitte 300 (D300) clients. On average, member firms provide services to each of these clients in 17 countries, and serve nine out of ten of D300 clients in more than one country.



Core business contributions

Each day, Deloitte member firms' partners and professionals work on thousands of client assignments around the world, providing a vital contribution to the effectiveness of companies, industries, capital markets, and economies. DTL coordinates and supports the efforts of member firms not only to maintain their capabilities but also to invest in innovations designed to enhance client performance and thereby create opportunities for economic growth and job creation.

In a globalized marketplace, complex organizations of all sizes and from all sectors face a range of challenges that require collaboration by Deloitte member firms across multiple service lines. Deloitte's As One strategy integrates insights and methods from across various businesses. Business analytics, [mergers and acquisitions](#), [governance and risk management](#), and [sustainability and climate change](#) are examples of multifunctional platforms that draw from member firms' full gamut of capabilities. As new challenges and opportunities emerge for member firm clients, member firms devise new solutions to help clients anticipate and respond.

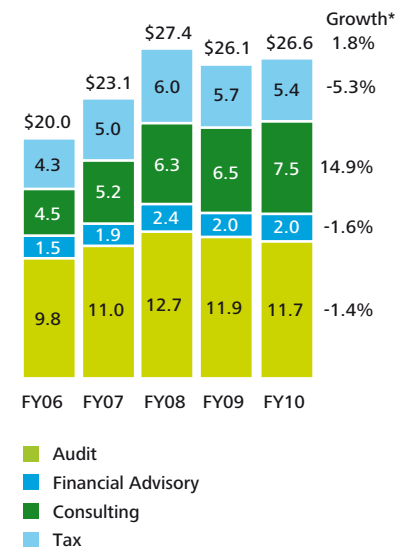
Audit – Deloitte member firm audit professionals deliver assurance services that help safeguard investor confidence in the capital markets and help provide a basis for decisions and trusted business and public sector relationships. Deloitte has committed to investing US\$300 million in enhancing audit quality, technology, and methodology in response to regulatory, economic, and other factors influencing the profession. These investments will further assist audit specialists to help clients manage risks and achieve their objectives.

Tax – Every year member firms' clients contribute billions of dollars in tax revenue to governments worldwide. Keeping up with tax requirements, opportunities, and risks can pose a challenge to any organization, for virtually every business transaction has tax implications and tax rules differ from country to country and change frequently. Deloitte member firms offer clients a broad range of tax services. Specialists help clients manage complex, multijurisdictional obligations so that they can focus on the global marketplace. Assisting clients in this responsible way helps build trust between government and business.

Financial Advisory – Deloitte member firms' financial advisory services help clients create, enhance, and protect shareholder value, thereby increasing trust in the capital markets. Member firms' financial advisory professionals advise clients on a wide range of areas, such as regulatory compliance, mergers and acquisitions, and valuation, along with serious business matters such as fraud, forensic investigations, litigation, and reorganizations.

Consulting – As one of the world's largest management consulting networks, Deloitte member firms support clients in realizing their core value propositions. Member firms work with clients on planning, growing, structuring, and enhancing their businesses. Consulting specialists combine technical skills with deep industry knowledge to help clients improve performance, drive shareholder value, and gain competitive advantages.

Aggregate member firm revenue by functional area (in billions of US\$)



Aggregate member firm revenues were US\$26.6 billion for the fiscal year ended 31 May 2010. Aggregate revenues grew 1.8 percent in U.S. dollars and remained essentially unchanged in local currency. Compound aggregate growth for FY2005-2010 was 7.8 percent.

A 15 percent increase in member firms' consulting revenues, led by a 19 percent growth in the strategy and operations service line and a 33 percent growth in technology integration, helped offset small declines in other businesses whose results were primarily affected by modest reductions in rate per hour.

* From FY09 to 2010
Because of rounding, numbers may not tally with the total.



Well-functioning markets and economies

Contributing to regulation

Deloitte welcomes the opportunity to work with governments, regulators, the public, and member firm clients to create a regulatory framework that is effective and that inspires grounded public confidence. As the largest professional services network in the world, we consider this a central element of responsible leadership.

The global operating environment for the public accounting profession is subject to increasing regulatory activity, whether from audit oversight authorities that continue to develop and implement evolving regimes or regulation resulting from reforms intended to respond to recent financial crises in many countries and volatility in the financial markets. We recognize that member firms' activities influence public trust in the corporate sector and Deloitte is committed to deliver on its responsibilities to protect the public interest. We support independent audit oversight and consider it an effective model for improving audit quality and enhancing confidence in audited financial statements.

Jeff Willemain, DTTL Global Managing Director, Regulatory and Risk, leads the Global Regulatory and Public Policy group and works directly with and provides support to Deloitte member firm CEOs and senior partners who are responsible for monitoring the regulatory environments in which Deloitte member firms operate. These member firm partners communicate regulatory developments to the global managing director and coordinate interaction with stakeholders on regulatory and public policy matters. This collaboration encourages member firms to identify regulatory developments early in the proposal stages, participate in their formulation, and determine the implications for DTTL and its member firms.

The Global Regulatory and Public Policy group interacts with a number of national and international organizations to collaborate in the development of effective regulation of the profession. These organizations include:

- Financial Stability Board
- Group of Twenty Finance Ministers and Central Bank Governors (G-20)
- International Corporate Governance Network
- International Federation of Accountants
- International Forum for Independent Audit Regulators
- Organisation for Economic Co-operation and Development (OECD)
- TransAtlantic Business Dialogue
- U.S. Council on International Business

In late 2009, the U.S. Congress received proposals of the bill that would become the Dodd-Frank Wall Street Reform and Consumer Protection Act, which was signed into law in July 2010. The European Commission also took up a number of ideas for reforming its financial system. Bodies such as the Financial Stability Board considered principles for consistent regulatory action across the globe and how these might be implemented at a national level.

National and international accounting regulators have sought improvements in standards to address the issues that arose during and after the financial crisis. Many jurisdictions continue efforts to adopt International Financial Reporting Standards (IFRS). In the United States, the Securities and Exchange Commission reaffirmed its support for a single set of global accounting standards and identified matters it needs to analyze in order to decide in 2011 whether to incorporate IFRS into the U.S. financial reporting system for U.S. domiciled filers.

Building a sustainable future

Climate change and other issues in environmental sustainability have inexorably climbed up executives' agendas for many reasons, including regulatory mandates, rising costs of energy, risks that pollution and environmental disasters pose to facilities and assets, demands from investors and customers, and public concern for the biosphere. It is incumbent on businesses and institutions to curtail their use of nonrenewable resources and lessen their impacts on the environment so that people today and future generations can enjoy an ever-improving standard of living.

The [sustainability and climate change](#) specialists of Deloitte member firms have been offering sustainability advice and solutions to clients for many years and have amassed a substantial amount of experience. The team, which includes more than 600 principals, partners, directors, and professionals from member firms around the world, has helped clients advance their sustainability strategies and take advantage of the new opportunities these strategies create. Deloitte is also making investments in the design of new services to help clients address burgeoning environmental challenges, risks, and constraints.

Deloitte also maintains active involvement in the public discourse on sustainability issues and contributes to collaborative efforts to address global climate change. Deloitte's work emphasizes the development of frameworks for tracking and managing organizational activity in terms of sustainability, which will help orient markets and economies toward decisions that will contribute to the public good over the long term. Below are some highlights of these activities during the past fiscal year.

- In December 2009, Deloitte served as a sponsor of the annual United Nations Climate Change Conference (COP15), where Deloitte Denmark calculated the event's carbon footprint.
- The World Economic Forum released *Redesigning Business Values: A Roadmap for Sustainable Consumption*, the newest report from its [Sustainable Consumption Initiative](#), at the Forum's annual meeting in Davos in January 2010. DTTL has served as project advisor to the Sustainable Consumption Initiative for three years.
- In February 2010, Deloitte began a pro bono collaboration with the United Nations Global Compact to develop the [UN Global Compact Management Model](#), a tool for Global Compact signatories and other entities to align their operations and strategies with the letter and spirit of the Global Compact's 10 universally accepted principles. The model was highlighted at the UN Global Compact Leaders Summit in June 2010. This year also marked 10 years since DTTL's predecessor organization became a founding signatory to the Global Compact.

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Secondments for sustainability

This year several member firm professionals began assignments on collaborative projects addressing sustainability issues. One is Victoria Lyon, senior consultant with Deloitte United Kingdom's sustainability and climate change practice, who began a secondment to the Prince of Wales Accounting for Sustainability Initiative (A4S), a charitable organization founded to consider accounting as a means of embedding sustainability in business decisions, in March 2010.

Also in March, Michael Sargent, senior manager with Deloitte United States, began a year-long secondment to the World Business Council for Sustainable Development to manage its Future Leaders Team program for 2010. Meltem Kirisci of Deloitte Turkey also began an assignment as a member of the Future Leaders Team. The group is developing and testing approaches to collaborative innovation focused on solving sustainability challenges.



- D TTL is involved in the development of standards for integrated reporting. D TTL CEO Jim Quigley is a member of the steering committee for the [International Integrated Reporting Committee](#), and Nick Main, D TTL Global Leader, Sustainability and Climate Change Services, serves on the advisory board for [Accounting for Sustainability \(A4S\)](#). D TTL also participates in the development of reporting and assurance standards through the Climate Disclosure Standards Board and the International Audit and Assurance Standards Board.
- D TTL participates in the [World Business Council for Sustainable Development](#), the [Cambridge Programme for Sustainability Leadership](#), and the [International Emissions Trading Agency](#), helping build the momentum, tools, and disclosures for a sustainable future.

Deloitte's work emphasizes the development of frameworks for tracking and managing organizational activity in terms of sustainability, which will help orient markets and economies toward decisions that will contribute to the public good over the long term.



World-class people

People commitment

Deloitte's more than 170,000 people are the key to client service excellence and to the success and sustained growth of Deloitte member firms. Talented professionals who provide high-quality skills, experience, and knowledge; act with integrity and objectivity; respect and leverage diversity; and uphold high ethical standards will add value to their organizations and to society. These are high standards, and Deloitte is committed to helping its people meet them. As member firms pursue their plans to hire some 50,000 people over the next year, they must continue to provide fair, open, and inclusive working environments in which every person has the opportunity to reach his or her professional and personal goals.

The Global Talent Council, which represents more than 20 member firms, regions, and DTTL leadership, shapes the common strategy and talent management standards that contribute to distinguishing Deloitte's service to clients and talent. Its work is based on the recognition that as individuals and the collective workforce develop broader experience and knowledge and acquire more diverse opinions and insights, Deloitte progresses toward its vision of being the Standard of Excellence. Deloitte is working to encourage innovation, diversity, global awareness, and principled conduct among its people. These attributes strengthen the Deloitte organization, help member firms provide services that are critical to clients and markets, and prepare our alumni to act as effective financial leaders at other businesses.

Diversity and inclusion initiatives are in place at 37 member firms, spanning more than 100 countries – up from 24 member firms last year – and more than 200 member firm people regularly participate in the DTTL-sponsored Global Diversity Community of Practice. In May 2010, DTTL CEO Jim Quigley signed the CEO Statement of Support for the [Women's Empowerment Principles](#) developed by the UN Global Compact and the UN Development Fund for Women (UNIFEM).

DTTL's strategy for talent development focuses on setting standards and providing centralized resources. This year the DTTL Talent team notably advanced its global strategy for talent development with:

- Development of global learning standards, comprising leading practices and measurement criteria
- Creation of a global resource library for Deloitte member firms' learning professionals, giving them access to more than 300 learning resources from 23 member firms
- Design of a global framework for career coaching
- Initial design of a global framework for industry-specific learning programs

In addition, DTTL continued extending its capabilities for online and virtual classroom learning, providing 24/7 global access to a growing portfolio of consistent, current, and high-quality learning and development resources. This helps member firm people better manage their learning and career development, and helps member firms provide consistent high-quality service worldwide. The Deloitte Learning Platform, a global e-learning platform that allows learning content developed in one country to be shared by all member firms, now stages more than 12,400 e-learning global courses.

Advancement of women

Women now represent 19 percent of all member firms' partners, principals, and directors. While this percentage has risen significantly over the last five years, it is unchanged since FY08. This reflects the challenge that Deloitte member firms face when it comes to developing and retaining women in senior roles. Deloitte's global diversity strategy aims to increase the percentage of women in each year's class of newly admitted partners, principals, and directors in the member firms.

Partner development in a global context

Member firm partners who work effectively in an international context are critical to Deloitte's cross-border service model. At Deloitte's first Partner Development Summit this year, senior DTTL and member firm leaders met to discuss the possibilities for member firms to collaborate on partner development. The meeting involved representatives from 11 member firms, one regional cluster (Deloitte Southeast Asia), and all four global functions.



Addressing the education and skills gap

From developed to developing countries, including countries that have the top education systems in the world, there are persistent inequities in educational achievement. Furthermore, the global shift to a knowledge economy has fundamentally changed how and what people need to learn. Education has the power to unlock potential, deliver economic and social transformation, and change individual lives, particularly for those most underserved. While great progress in access, quality, and delivery of education has been achieved, more must be done. Deloitte is committed to helping address this challenge.

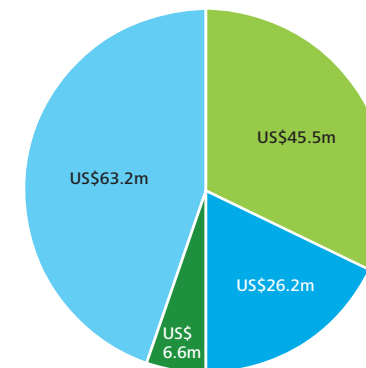
[Deloitte21](#) is our global initiative to drive innovations in education and skills for underserved young people that will help them succeed in the 21st-century economy. Deloitte member firms' community investment programs are the foundation of [Deloitte21](#). They focus on advocacy and action, working hand-in-hand with education leaders and innovators. The education organizations supported by member firms are helping young people become confident leaders, think critically and make responsible decisions, understand diverse backgrounds and perspectives, and innovate and become entrepreneurs.

One instance of how member firms are driving innovation is the multifaceted support that the firms provide to local [Teach For All](#) affiliates. Deloitte UK provided pro bono services to Teach First to help shape their strategy to prepare 100 Teach First teachers for headships by 2018. Deloitte Middle East has provided pro bono consulting and audit services to Teach For Lebanon, and a Middle East member firm partner is vice chairman of the organization's board. Deloitte Chile provided audit services to Enseña Chile, and Deloitte U.S. provides pro bono services to Teach For America and has a senior executive serving on the New York City regional board.

Since the launch of the [Deloitte21 Fellows](#) program this year, top performers have assumed high-impact roles leading their firm's [Deloitte21](#) efforts. In Finland, Mia Liimo is championing the OK! Project, which delivers work readiness training to unemployed young immigrants. Deloitte UK's Philippa Thompson is creating a business skills training program for the MicroLoan Foundation's staff, enabling them to better train the women whom the foundation serves. Deloitte Japan's fellows are helping Junior Achievement promote its simulation-based management training for high schools and are developing an approach to recruit corporate volunteers. In the United States, Martha Fung is working with College Summit's leadership team on strategic projects in corporate governance and financial management.

Deloitte is also engaged in advocacy. As a steering board member of the World Economic Forum's [Global Education Initiative](#), D TTL helped design and launch a series of roundtables on entrepreneurship education for business, government, and nonprofit leaders. Deloitte United States launched the annual [Deloitte Education Survey](#) on college preparation, revealing a gap in high school teachers' views versus the expectations of parents and students. And Deloitte UK [launched a report](#) examining how employers can help improve the education that young people receive about career options and workplace skills.

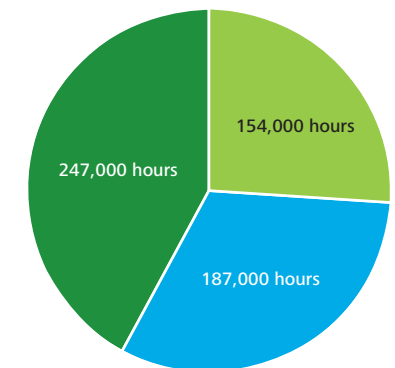
Aggregate community investments:
US\$141.6m



- Volunteering and pro bono
- Firm and foundation donations
- Partner and employee donations
- Management

Thirty-two percent of the aggregate US\$141.6m Deloitte invested in local communities was focused on education and skills programs. Deloitte member firms are aligned in their work on education and skills, as evidenced by the many programs they have launched and their involvement in [Deloitte21](#).

Aggregate time invested: 588,000 hours



- Pro bono projects
- Skills-based volunteering
- Traditional volunteering

Deloitte's community investment is driven by the idea that mobilizing the intellectual capital of our people makes the greatest social impact. The value of our people's community investment work represents 45 percent of all FY10 community investments. Sixty-eight percent of community investment hours were skills-based volunteering and pro bono, up from 54 percent last year.

Conditions for success

By protecting Deloitte's integrity and relationships with member firm clients, governments, communities, and stakeholders, core programs such as ethics, quality and risk management, and independence make it possible for Deloitte to continue delivering contributions to society.



Ethics

Levels of fraud and corruption often rise during times of economic recession, and there are temptations for struggling businesses to be less transparent about meeting expectations. The current environment presents an opportunity for all involved in financial reporting to work toward improved transparency and financial reporting, increasing investor confidence and sustainable economic performance and enhancing the public trust. We believe that a vital way to preserve that public trust is to maintain high ethical standards.

Deloitte's senior leaders set the tone for accountability and ethical behavior, while every member firm partner and employee carries a personal responsibility for maintaining high ethical standards. Deloitte supports member firm personnel with effective consultation networks, policies, tools, and professional development that aids them in making principled decisions.

As DTTL Global Chief Ethics Officer, Nick Main coordinates the network of member firm ethics officers, sustaining and motivating them in their efforts to build and continuously improve their ethics programs. The DTTL Global Ethics Office supports this work, which includes assessing member firms' ethics programs against the requirements for governance, communication, and education set out in DTTL's Global Ethics Policy. One key occasion for this activity is Deloitte's annual conference of member firm ethics officers, where they share information and learn about emerging practices in ethics and compliance outside their home countries.

Last year we reported that the Global Ethics Policy would be revised during the year to enhance member firms' ethics programs. We achieved this target in FY10 and the revised policy includes:

- Annual confirmation by all DTTL and member firms' people of their compliance with their member firms' codes of conduct
- Mandatory ethics education for all member firm people every two years
- Yearly self-assessments by the member firms of their compliance with the Global Ethics Policy
- Annual measurement and reporting of ethics performance by the member firms

During FY10, DTTL's two most senior leaders took prominent and public stands in supporting initiatives aimed at combating corruption. In July 2009, DTTL CEO Jim Quigley signed a [CEO statement](#) in support of the United Nations Convention Against Corruption, which is the only global legal instrument to fight corruption in both the public and private sectors. And in April 2010, DTTL Chairman John Connolly began a one-year term on the board of the World Economic Forum's [Partnering Against Corruption Initiative](#).

Ethical Principles of the Deloitte member firms	
Honesty and integrity	We act with honesty and integrity.
Professional behavior	We operate within the letter and the spirit of applicable laws.
Competence	We bring appropriate skills and capabilities to every client assignment.
Objectivity	We are objective in forming our professional opinions and the advice we give.
Confidentiality	We respect the confidentiality of information.
Fair business practices	We are committed to fair business practices.
Responsibility to society	We recognize and respect the impact we have on the world around us.
Respect and fair treatment	We treat all our colleagues with respect, courtesy, and fairness.
Accountability and decision-making	We lead by example, using our Shared Values as our foundation.

The current environment presents an opportunity for all involved in financial reporting to work toward improved transparency and financial reporting, increasing investor confidence and sustainable economic performance and enhancing the public trust.

Quality and risk management

Firms that provide accounting and auditing services to public companies carry a particular responsibility for accuracy and quality in their output, so as to help maintain public trust in business. Deloitte member firms consider their reputation for quality to be the foundation of their business success.

Quality and risk controls are embedded at several levels within each member firm: on each engagement, within each client relationship, and across the entire member firm.

To support member firms in providing high-quality audits and other professional services, DTTL and the functional leaders have codified requirements for effective quality controls in the Deloitte Policies Manual (DPM). Each member firm is required to follow the DTTL and functions' policies and procedures set out in the DPM, including assessing the risks associated with each prospective client and each client engagement and for managing and monitoring those risks during each engagement. DTTL and the functions develop new policies and updates to existing ones to adapt to changes in the business environment and to address potential and emerging risks.

The DPM also requires each member firm to conduct a "practice review" in each of its functions and service lines at intervals not to exceed three years. The objective of the practice review is to assess the quality of the work performed by the member firm and compliance with DTTL, function-specific, and member firm policies and procedures, as well as local rules and regulations.

Member firm practice reviews are conducted under the direction of the member firms' reputation and risk leaders and relevant functional leaders, with guidance from DTTL. Each member firm has individuals responsible for coordinating and administering each of the specific functional practice reviews. DTTL functional leadership is responsible for oversight of a member firm's practice review plans and procedures, including review of scope and procedures and selection of reviewers, and for assistance with identifying qualified resources.

Findings and recommendations from the member firm's practice reviews are presented in a report and management letter to the member firm's leadership. In response to the practice review report, the member firm has to establish a detailed action plan to address findings and recommendations together with a mechanism for monitoring the resolution of the findings. DTTL functional risk leaders follow up on the implementation of action plans resulting from the respective functional practice reviews.

In addition, most member firms' audit practices are subject to one or more periodic external reviews conducted by local external professional and/or regulatory bodies.

Standards for quality control

The goal of Deloitte's quality control system is to provide the delivery of high quality professional services to Deloitte member firm clients.

This is not only in the interests of all Deloitte member firm clients and stakeholders but also of the partners and staff of each and every member firm, since a series of repetitive breaches or perhaps a single serious breach of Deloitte's quality control system by a member firm could put the member firm, and possibly the global network, at risk.

Deloitte's stringent approach to quality provides a solid platform for pursuing our vision of being the Standard of Excellence.

Enterprise risk framework

In FY10, DTTL implemented an enterprise risk framework that identified potential significant business risks both internal and external to the Deloitte network that could impact Deloitte's ability to realize its strategy. Specific focus was placed on the key risks identified and determining that appropriate risk management and monitoring activities and strategies were developed, or enhanced and implemented, to mitigate and/or monitor such key risks, in addition to monitoring any potential changes to those risks. A reporting framework was developed to enable DTTL senior management to exercise its oversight responsibilities.

Independence

The independent audit plays a vital role in capital markets by providing assurance on the reliability of companies' financial statements. Deloitte member firms recognize their contribution to the public interest by maintaining confidence in financial reporting. They are therefore committed to applying the highest standards of professional conduct, with a particular focus on compliance with auditing standards and independence requirements.

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

Once a year, each member firm reports to DTTL that it has carried out procedures to determine that the member firm and its professionals have complied with DTTL's independence policies. These procedures include checks for independence issues and potential conflicts of interest. Because auditors must restrict the non-audit services they provide to their audit clients, a member firm will decline to provide services prohibited under the independence standards that apply to each audit client.

For the network of Deloitte member firms, which frequently serve the same clients in multiple jurisdictions worldwide, maintaining compliance with independence standards requires particular vigilance. Independence requirements are not bounded by national borders, and national independence standards themselves are subject to change. This means that each member firm considering whether to accept a new audit client must consider the independence of other member firms in the network and, for existing audit clients, must evaluate the independence implications of all member firms' relationships with and non-audit services provided to each audit client.

To facilitate independence checks and compliance, DTTL maintains a global independence website that contains the DTTL independence policies and procedures, as well as other independence-related materials. This information is available electronically to all member firms' partners, professional staff, and administrative staff. Reminders on policy and other matters are published weekly as part of routine communications. DTTL's independence systems and controls, noted on the side of this page, provide additional support.

Systems and controls

The DTTL independence policies are buttressed by systems and controls at the DTTL or member firm level that:

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

During FY10, DTTL launched a new online system that helps member firms check for potential conflicts, particularly across borders. It is designed to improve the quality and consistency of the conflict-checking process.

Talent management

Because Deloitte sets high expectations for its people, Deloitte's people expect as much from the organization. DTTL and its member firms offer a challenging and rewarding work environment, a market-leading benefits package, and opportunities for education and career advancement. Listening to its people helps the organization shape its strategies and respond to people's needs.

DTTL's global workforce planning and analytical programs enable the strengthening of employee engagement. The cornerstone of workforce planning and analytics is The People Survey (TPS), a tool that has gauged employee attitudes within Deloitte for the past 10 years. The TPS helps Deloitte identify the talent management components that have the most influence on employee engagement.

A key factor influencing engagement is career-life fit. Deloitte strives to create and maintain working environments that will allow people to maintain a balance between work and personal responsibilities and interests. Deloitte leadership recognizes the many benefits a healthy work-life balance brings: better employee retention and productivity, reduced stress, and more time available to participate in community work. DTTL also supports member firms in establishing policies that allow flexible hours and working arrangements such as telecommuting.

DTTL's Performance Management Approach (PMA) establishes a common strategy, methodology, and standards for performance management by member firms. PMA defines the general and specialized competencies required at each career level and provides a framework for consistent reviews of Deloitte employees. During FY10, DTTL held webinars and introduced a suite of resources to help member firms apply PMA. PMA also provides a basis for fair decisions about promotions and compensation, key components of the rewards member firms offer people for their contributions.

PMA also provides Deloitte member firms' talent managers with a resource for helping people chart satisfying career paths. Member firms strive to enable people to find roles that suit their professional plans and objectives and where they can succeed while helping to meet the needs of clients and their businesses. One increasingly significant avenue for career shifts within the Deloitte organization is international assignments. DTTL has therefore made it a priority to create a single internal marketplace for global talent. During FY10, DTTL set up a global technology platform for managing and tracking international mobility assignments. Member firms also set individual mobility targets corresponding to three types of opportunity: self-selected, firm-selected, and client-selected.

Measuring engagement

Participation in The People Survey has grown from 53,298 Deloitte people in 24 countries in FY05 to 103,212 Deloitte people in 46 countries in FY10.

Focusing on retention

Deloitte's goal is to retain more of its people, particularly high performers. During FY10, DTTL expanded its metrics for talent management so that DTTL's leadership can better track the organization's performance in this area.

FY10 was another challenging year in many markets, and some member firms faced a need to cut jobs. Besides working to minimize redundancies, many member firms have programs to support their staff who lose their jobs and to help people manage financial difficulties and make transitions to new jobs.

Environmental sustainability

Deloitte believes that businesses need to become more sustainable in order to secure a comfortable future for society. We accept our part in this agenda, and we are gradually implementing changes to our use of energy and resources. Deloitte's responsibility is to develop the ability to carry out business indefinitely without diminishing the resources that other businesses, future enterprises, and society will need to thrive.

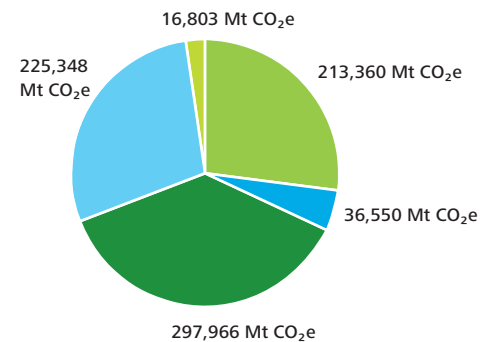
The large Deloitte member firms are measuring their environmental impacts so that they can set goals and define actions to bring about improvements in performance. Drawing on the experience of member firms' sustainability and climate change specialists, Deloitte expanded its reporting to include all significant carbon emissions sources for 73 percent of its workforce and extrapolated to cover the remainder of the organization. This represents a step up from last year when the 15 largest Deloitte member firms, representing just over 70 percent of the workforce, measured carbon emissions from electricity and air travel, the organization's two main sources.

Following the completion of Deloitte's carbon emissions inventory, the Global Corporate Responsibility Council requested an analysis of opportunities to improve environmental performance given the organization's business growth projections, in order to set a worldwide target for reducing carbon emissions. The CR Council's intent is to establish a realistic goal that will lessen Deloitte's impact on the climate by a meaningful amount that is consistent with the recommendations of scientific authorities.

Some member firms have taken major steps toward energy and resource efficiency. For instance, Deloitte Australia made environmental performance a foremost consideration during updates of 8 of its 12 offices by addressing whole-building design, major systems such as lighting and cooling and IT networks, and furnishings made from renewable and small-footprint materials. Deloitte Netherlands consolidated its Rotterdam and Dordrecht offices into a building in Rotterdam that relies on river water for heating and cooling and offers employees superior access to public transport.

Member firms' client work requires our professionals to spend much of their time at clients' workplaces. The challenge is to reduce the amount of travel without compromising the quality of work or the satisfaction of clients. Member firms are investing in videoconferencing technology, from high-definition telesuites to webcam-equipped laptops. Deloitte UK has increased the number of videoconferencing units to 40 and plans to introduce a further 60 throughout the United Kingdom and Switzerland offices. The firm is also working to facilitate use of videoconferencing with clients. Many member firms offer their people incentives to choose fuel-efficient company cars and to take trains where possible.

Aggregate carbon emissions : 790,028 Mt CO₂e



- Buildings: electricity
- Buildings: other sources
- Business travel: air travel
- Business travel: other sources
- Resources

Carbon emissions per person (full-time equivalent) were 4.87 Mt CO₂e in FY10.

Compared with FY09, emissions from electricity use remained relatively flat on a per-person basis. However, emissions per person from business air travel increased by 9.5 percent as economic recovery spurred member firms' client activities.

Numbers may not tally to the total because of rounding.

Security and data protection

DTTL has made it a priority to help member firms implement comprehensive security and data privacy programs. We recognize that the size and geographic reach of the Deloitte network mean that the organization's people might be vulnerable to risks at the local or global levels. Deloitte takes the duty to help protect its people very seriously. Maintaining data security and protecting personal information is also a business imperative, and Deloitte member firms recognize the obligation to maintain the confidentiality of information entrusted to them.

DTTL Global Privacy Officer Murrell Shields is responsible for guiding the development of DTTL's privacy objectives, policies, and requirements and helping confirm that these considerations are implemented across the Deloitte network. In November 2009, Deloitte Touche Tohmatsu Services, Inc. (DTTS), the entity that employs personnel working on behalf of DTTL in the United States, certified its adherence to the Safe Harbor Agreement between the United States Department of Commerce and the European Commission. The Safe Harbor Agreement bridges the different privacy approaches between the United States and the European Union (EU) and provides a set of requirements for U.S. organizations' compliance with the European Commission's Directive on Data Protection. This directive governs the transfer of personal information from the EU to the United States. On an annual basis, DTTS is recertified in the Safe Harbor scheme after completing a comprehensive verification process.

DTTL is developing a global privacy policy that will require all member firms to implement a privacy program that will meet certain privacy principles and to designate a privacy officer. The policy will also require all member firms to carry out an annual self-assessment of their compliance with the policy requirements. The privacy policy is slated for adoption in May/June 2011.

In addition to these privacy measures, Deloitte has instituted programs for managing physical security risks to its people. Deloitte people travel all over the world in the course of their work, which means they are occasionally exposed to a range of physical risks. In August 2009, DTTL issued a new and more comprehensive security policy, which specifies provisions that member firms must make for the safety and security of their people, as well as specific processes and safeguards relating to information and technology.

DTTL's Global Security Office subscribes to a traveler notification service that allows for tracking the whereabouts of the majority of Deloitte business travelers and for alerting them when security events occur. The office has also developed global learning programs on travel security and on pandemic preparedness. An infectious disease specialist is on retainer to advise on health risks.

Haiti earthquake response

DTTL has contracts in place with vendors that provide security and evacuation services wherever they are needed around the world. In January 2010, when the devastating earthquake occurred in Haiti, the DTTL Global Security Office mobilized these services and managed the relief and rescue operations in conjunction with the Deloitte U.S. Incident Support Team.

The vendors organized searches to locate missing people, including one Deloitte member firm employee and more than 50 family members of Deloitte member firm people; set up vital communication channels to confirm their safety; and provided assistance with evacuations where necessary. The evacuees included a U.S. member firm audit staff member who was vacationing in Haiti with her husband and son, as well as a church mission group that included the wife of a Deloitte United States partner.

We recognize that the size and geographic reach of the Deloitte network mean that the organization's people might be vulnerable to risks at the local or global levels. Deloitte takes the duty to help protect its people very seriously.

Additional disclosures



Performance

The table below presents selected data pertaining to Deloitte member firms' performance as responsible businesses. D TTL is committed to developing performance metrics that will be meaningful to Deloitte's leaders, people, and external stakeholders and provide the basis for setting useful targets. This list will continue to be updated in the coming years, as data systems evolve and our understanding of what performance measurements are useful matures.

Measurement	Scope	FY10	FY09
Member firm revenue			
• Aggregate member firm revenue (rounded)	Global	• US\$26.6bn	• US\$26.1bn
• By functional area			
• Audit		• US\$11.7bn	• US\$11.9bn
• Financial Advisory		• US\$2.0bn	• US\$2.0bn
• Consulting		• US\$7.5bn	• US\$6.5bn
• Tax		• US\$5.4bn	• US\$5.7bn
• By region			
• Americas		• US\$13.0bn	• US\$12.5bn
• Asia Pacific		• US\$3.6bn	• US\$3.4bn
• Europe/Middle East/Africa		• US\$10.0bn	• US\$10.2bn
Global presence			
• Number of member firms	Global	• 53	• 55
• Number of countries where Deloitte operates		• 147	• 140
Member firm people			
• Aggregate member firm people	Global	• 169,587	• 168,651
• Aggregate member firm people by level			
• Partners		• 9,538	• 9,555
• Professional staff		• 129,219	• 130,207
• Administrative staff		• 30,829	• 28,888
• Aggregate member firm people by region			
• Americas		• 72,858	• 70,633
• Europe/Middle East/Africa		• 62,732	• 63,834
• Asia Pacific		• 33,997	• 34,154
• Percentages of women at Deloitte member firms			
• Overall		• 45%	• 45%
• Among partners/directors		• 19%	• 19%
• Among managers		• 35%	• 35%
• Among new hires		• 47%	• 47%
Mobility: Number of Deloitte people on international assignment		• 3,801	• 1,670

Numbers may not tally to totals because of rounding.



Measurement	Scope	FY10	FY09
Community investment			
<ul style="list-style-type: none"> Aggregate community investments <ul style="list-style-type: none"> Contributions toward education and skills-building organizations Aggregate donations <ul style="list-style-type: none"> Member firm/foundation donations (monetary and in kind) Member firm partner and employee donations (to member firm-supported organizations and fundraisers) Aggregate member firm/foundation costs for managing community investment programs Aggregate value of volunteer and pro bono work by member firm people <ul style="list-style-type: none"> Pro bono projects Skills-based volunteering Traditional volunteering Aggregate hours of volunteer and pro bono work by member firm people <ul style="list-style-type: none"> Pro bono and skills-based volunteering as % of total volunteer and pro bono hours Pro bono projects Skills-based volunteering Traditional volunteering 	FY10: 17 member firms (73% global workforce) FY09: 15 member firms (70% global workforce)	<ul style="list-style-type: none"> US\$141.6m <ul style="list-style-type: none"> 32% US\$71.7m <ul style="list-style-type: none"> US\$45.5m US\$26.2m US\$6.6m US\$63.2m <ul style="list-style-type: none"> US\$31.1m US\$18.4m US\$13.7m 588,000 <ul style="list-style-type: none"> 68% 154,000 247,000 187,000 	<ul style="list-style-type: none"> US\$138.9m <ul style="list-style-type: none"> n/a US\$81.3m <ul style="list-style-type: none"> US\$54.5m US\$26.8m US\$6.9m US\$50.7m <ul style="list-style-type: none"> US\$24.1m US\$10.7m US\$15.9m 463,000 <ul style="list-style-type: none"> 54% 115,000 136,000 212,000
Environmental sustainability			
<ul style="list-style-type: none"> Aggregate carbon emissions by source <ul style="list-style-type: none"> Buildings: electricity Buildings: other sources Business travel: air travel Business travel: other sources Resources Aggregate carbon emissions by GHG Protocol scope <ul style="list-style-type: none"> Scope 1: direct GHG emissions Scope 2: electricity indirect GHG emissions Scope 3: other indirect GHG emissions Aggregate usage of purchased electricity in member firm facilities 	FY10: Global FY09: 15 member firms (70% global workforce)	<ul style="list-style-type: none"> 790,028 Mt CO₂e <ul style="list-style-type: none"> 213,360 Mt CO₂e 36,550 Mt CO₂e 297,966 Mt CO₂e 225,348 Mt CO₂e 16,803 Mt CO₂e 82,618 Mt CO₂e 221,363 Mt CO₂e 486,047 Mt CO₂e 438,156 MWh 	<ul style="list-style-type: none"> n/a <ul style="list-style-type: none"> 155,860 Mt CO₂e n/a 197,567 Mt CO₂e n/a n/a n/a n/a n/a 308,252 MWh

Numbers may not tally to totals because of rounding.



Methods and scope

This is the Deloitte network's second corporate responsibility report, covering the organization's 2010 fiscal year, 1 June 2009 to 31 May 2010. DTTL is committed to reporting annually on Deloitte's activities as a responsible organization; our 2009 Corporate Responsibility Report can be found at www.deloitte.com/crreport. Several Deloitte member firms also issue their own reports documenting their corporate responsibility activities either in full or in part.

In keeping with good practice, DTTL has prepared this report according to the G3 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). This report is also designed to serve as DTTL's Communication on Progress to the United Nations Global Compact for 2010. Indexes of content specified by the G3 Guidelines and the UN Global Compact appear later in this section. Performance measures for community investment and environment are based on widely recognized guidelines.

For reporting on community investment, DTTL and its member firms observed standards from the Committee Encouraging Corporate Philanthropy and the London Benchmarking Group. The monetary value of community activities by member firm people was estimated according to the type of service performed. The value of volunteer work is based on local member firms' staff costs. Pro bono work, defined as work that the member firms might otherwise sell but that was performed for free or at a discount below firm cost, has been valued at local member firms' market rates for client service, less whatever fees organizations may have paid. Community investment data was submitted to DTTL by 17 member firms, which represent 73 percent of aggregate member firm people.

Estimates of carbon emissions were prepared according to the Greenhouse Gas Protocol created by the World Resources Institute and the World Business Council for Sustainable Development. DTTL and the member firms have applied the most recent, authoritative, and locally specific carbon dioxide emissions factors available for the countries in the report's scope. Environmental sustainability data was reported to DTTL by 19 member firms, which represent 73 percent of aggregate member firm people, and extrapolated for the remainder of the organization.

Other qualitative and quantitative information in this report pertains to the entire Deloitte organization except where otherwise noted. Performance data was obtained from financial reporting systems, other internal records, and outside sources such as travel agencies, utilities, and property managers. DTTL has relied on the data provided by member firms and did not have the data independently verified.



Organization and governance

The Deloitte network is an association of firms that are members of DTTL, an English private company limited by guaranty.

The Board is the highest governing body of DTTL. DTTL's highest management body is the Executive, which is led by the chief executive officer.

The DTTL Executive is responsible for, among other things, fostering a common vision and helping develop and direct DTTL's strategies. The Executive works in a collegial style and attempts to reach decisions through consensus. The DTTL CEO, currently Jim Quigley, leads the Executive.

The DTTL Board has responsibility for addressing governance issues within the competencies of DTTL. The Board must approve major initiatives of DTTL, such as strategies, major transactions, and significant policies. The Board currently has 35 members: the DTTL CEO and 34 members appointed by member firms and regions representing jurisdictions and regions around the world. John Connolly is the current chairman of the DTTL Board.

The Board is supported by its Governance Committee, which has oversight responsibility for DTTL's management and focuses particularly on the major strategic issues facing DTTL and the member firms. The Governance Committee is comprised of 12 members of the Board of Directors plus the CEO, who is a non-voting member.

The Board also has a number of other committees that coordinate and recommend action on a wide scope of financial and administrative issues relating to DTTL's role. The Board committees include Risk Management, Audit and Finance, Membership Affairs, and CEO Evaluation and Compensation.

DTTL does not provide professional services to clients, or direct, manage, control, or own any interest in any member firm or any member firm's affiliated entities. Member firms in the Deloitte network provide services to clients, either directly or through their affiliates. Member firms operate under the Deloitte brand and related names, including "Deloitte", "Deloitte & Touche", "Deloitte Touche Tohmatsu", and "Tohmatsu".

Member firms provide professional services in particular geographic areas and are subject to the laws, regulations, and professional requirements of the jurisdictions in which they operate. Each member firm is structured differently in accordance with, among others, national laws, regulations, and customary practices.

Member firms are not subsidiaries or branch offices of DTTL and do not act as agents for DTTL or other member firms. Rather, they are locally-formed entities with their own ownership structure independent of DTTL that have voluntarily become members of the Deloitte network with a primary purpose to coordinate their approaches to client service, professional standards, shared values, methodologies, and systems of quality control and risk management. DTTL has adopted certain policies and protocols in each of these areas in an effort to establish a consistently high level of quality, professional conduct, and service in all member firms. This structure confers significant strengths, combining high quality standards and methodologies with a deep understanding of local markets and a sense of responsibility and initiative among professionals who have a direct stake in the integrity and growth of their respective practices.

Global presence

The registered address of DTL is Hill House, 1 Little New Street, London, EC4A 3TR, United Kingdom.

As of the fiscal year ended 31 May 2010, Deloitte operated in more than 140 countries in three principal regions: Americas, Asia Pacific, and EMEA (Europe, Middle East, and Africa).

Americas

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

Asia Pacific

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

EMEA

Albania
Algeria
Angola
Austria
Azerbaijan
Bahrain
Belgium
Belorussia
Benin
Bermuda
Bosnia and Herzegovina
Botswana
Bulgaria
Cameroon
Cape Verde
Channel Islands
Congo Brazzaville
Croatia
Cyprus
Czech Republic
Denmark
Egypt
Equatorial Guinea
Estonia
Finland
France
Gabon
Gambia
Georgia
Germany
Ghana

Gibraltar
Greece
Greenland
Hungary
Iceland
Ireland
Isle of Man
Israel
Italy
Ivory Coast
Jordan
Kazakhstan
Kenya
Kosovo
Kuwait
Kyrgyzstan
Latvia
Lebanon
Lithuania
Luxembourg
Macedonia
Malta
Mauritius
Moldova
Montenegro, Republic of
Morocco
Mozambique
Namibia
Netherlands
Netherlands Antilles
Nigeria
Norway

Oman
Pakistan
Palestinian Territories
Poland
Portugal
Qatar
Romania
Russian Federation
San Marino
São Tomé and Príncipe
Saudi Arabia
Senegal
Serbia
Slovakia
Slovenia
South Africa
Spain
Srpska, Republic of
Sweden
Switzerland
Syria
Tajikistan
Tanzania
Tunisia
Turkey
Uganda
Ukraine
United Arab Emirates
United Kingdom
Uzbekistan
Yemen
Zambia



United Nations Global Compact content index

This report serves as DTTL's Communication on Progress to the United Nations Global Compact for 2009-2010. The table below contains information or references to sections of the report that address the Global Compact principles.

UN Global Compact Principle	Disclosure
Human rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.	<p>Deloitte recognizes that it has a responsibility to uphold human rights in the workplace and to use its influence and global reach to foster support for human rights more broadly within society at large. Deloitte not only works to address human rights issues within its communities, but also seeks to respond to the urgent human rights challenges of our world, in a manner commensurate with its ability to effect change within and across regions and borders.</p> <p>In Deloitte's workplaces, human rights typically take the form of non-discrimination and diversity in personnel practices, professional development, and work-life balance. Recruiting and retention activities reflect a desire to hire professionals who share Deloitte's values and commitment to responsible business. A description of Deloitte's approach to diversity and inclusion is in the "Talent management" section of this report, and measures of Deloitte's workforce diversity are in the "People commitment" section. Deloitte protects human rights in the community through contributions to poverty alleviation and increasing levels of education. Deloitte people also contribute to the public debate on issues related to human rights.</p>
Labor standards	
Principle 3: Businesses should 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 labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.	<p>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. Deloitte's Shared Values and Ethical Principles also include non-discrimination and inclusion as integral parts of the way the organization works. While DTTL and its member firms are united by this vision of inclusion, DTTL respectfully recognizes that implementation of related programs will be shaped by member firms and their local and national cultures. Where appropriate, Deloitte also addresses non-discrimination and inclusion in the community. Member firm learning development programs help people develop the skills necessary to work cross-culturally. Further details on the DTTL Global Ethics Program are in the "Ethics" section of this report.</p>
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.	<p>Please see the "Environmental sustainability" section of this report for information on Deloitte member firms' initiatives to manage their environmental performance and the "Building a sustainable future" for information on how Deloitte member firms are helping their clients adopt sustainable business practices.</p>
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	<p>Please see the "Ethics" section of this report for information on Deloitte's commitment to combating corruption.</p>

Global Reporting Initiative content index

This report has been prepared according to the Global Reporting Initiative's G3 Guidelines. GRI has checked our application of these guidelines and confirmed that the report meets the requirements for Application Level B.

This index provides references to the parts of the report where readers can find information relating to performance indicators that DTTL has reported. Unless otherwise noted in the table or in the cross-referenced sections, the information herein pertains to DTTL only and not to the member firms.

GRI performance indicator	Inclusion	Location or disclosure
Strategy and analysis		
1.1 Statement from the most senior decision-maker	Yes	Page 1
1.2 Description of key impacts, risks, and opportunities	Yes	Page 7
Organizational profile		
2.1 Name of the organization	Yes	Page 0 (Table of contents)
2.2 Primary brands, products, and/or services	Yes	Page 10
2.3 Operational structure of the organization	Yes	Pages 27-28
2.4 Location of organization's headquarters	Yes	Page 29
2.5 Number/names of countries where the organization operates	Yes	Page 29
2.6 Nature of ownership and legal form	Yes	Pages 27-28
2.7 Markets served	Yes	Page 29
2.8 Scale of the reporting organization	Yes	Page 29
2.9 Significant changes during the reporting period	Yes	Page 29
2.10 Awards received in the reporting period	Yes	Deloitte 2010 Annual Review (PDF link), pages 30-31
Report parameters		
3.1 Reporting period (e.g., fiscal/calendar year) for information provided	Yes	Page 26
3.2 Date of most recent previous report (if any)	Yes	Page 26
3.3 Reporting cycle (annual, biennial, etc.)	Yes	Page 26
3.4 Contact point for questions regarding the report or its contents	Yes	Page 1
3.5 Process for defining report content	Yes	Pages 6-7
3.6 Boundary of the report	Yes	Page 26
3.7 Specific limitations on the scope or boundary of the report	Yes	Page 26



GRI performance indicator	Inclusion	Location or disclosure
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, etc.	Yes	Page 26
3.9 Data measurement techniques and the bases of calculations	Yes	Page 26
3.10 Explanation of the effect of any re-statements of information provided in earlier reports	Yes	Page 26
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Yes	Page 26
3.12 Table identifying the location of the Standard Disclosures in the report	Yes	Pages 31-37
3.13 Policy and current practice with regard to seeking external assurance for the report	Yes	Page 26
Governance, commitments, and engagement		
4.1 Governance structure of the organization, including committees under the highest governance body	Yes	Page 27
4.2 Indicate whether the Chair of the highest governance body is also an executive officer	Yes	Page 27
4.3 Number of members of the highest governance body that are independent and/or non-executive members	Yes	Page 27
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Yes	Page 6
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives and the organization's performance	Yes	The compensation of the DTTL CEO is established by the DTTL Governance Committee of the DTTL Board of Directors and approved by the DTTL Board. The compensation of the DTTL Executive is determined by the DTTL CEO and approved by the DTTL Governance Committee. Members of the DTTL Board do not receive fees by virtue of serving on the Board. Please note that DTTL is not a client facing entity and therefore the "organization's performance" may be difficult to measure by objective standards.
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	Yes	The DTTL Board of Directors has adopted policies and guidance for DTTL and its member firms (as applicable) to identify and resolve potential conflicts of interest arising from the proposed acceptance of client engagements, proposed business or financial relationships with third parties, conflicts affecting more than one member firm, and conflicts relating to independence.

GRI performance indicator	Inclusion	Location or disclosure
4.7 Process for determining the qualifications and expertise of the members of the highest governance body on economic, environmental, and social topics	Yes	DTTL strongly encourages its member firms to comply with best corporate practices to identify its national leaders, a subset of which make up the DTTL Board of Directors. The Chairman of the DTTL Board is also the chairman of Deloitte's Global Corporate Responsibility Council, which oversees Deloitte's strategy for addressing environmental and social issues.
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Yes	Pages 4-5 and 17
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	Yes	Page 5
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Yes	The DTTL Board of Directors and its committees have processes in place for evaluating their performance.
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization	Yes	Page 5
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	Yes	See http://www.deloitte.com/view/en_GX/global/about/global-initiatives/index.htm .
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations	Yes	Pages 11-12
4.14 List of stakeholder groups engaged by the organization	Yes	Page 6
4.15 Basis for identification and selection of stakeholders with whom to engage	Yes	Page 6
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Yes	Page 6
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Yes	Pages 6-7

GRI performance indicator			Inclusion	Location or disclosure
Economic				
Disclosure on management approach			Yes	Pages 27-28
EC1	Core	Direct economic value generated and distributed	Yes	Page 24
EC2	Core	Financial implications and other risks and opportunities for the organization's activities due to climate change	No	
EC3	Core	Coverage of the organization's defined benefit plan obligations	No	
EC4	Core	Significant financial assistance received from government	No	
EC6	Core	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	No	
EC7	Core	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	No	
EC8	Core	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Yes	Pages 12 and 15
Environmental				
Disclosure on management approach			Yes	Page 21
EN1	Core	Materials used by weight or volume	No	
EN2	Core	Percentage of materials used that are recycled input materials	No	
EN3	Core	Direct energy consumption by primary energy source	No	
EN4	Core	Indirect energy consumption by primary source	Yes	Page 25
EN6	Additional	Initiatives to provide energy-efficient or renewable energy-based products and services, and resulting reductions in energy requirements during the reporting period	Yes	Page 12
EN8	Core	Total water withdrawal by source	No	
EN11	Core	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	No	

GRI performance indicator		Inclusion	Location or disclosure
EN12 Core	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	No	
EN16 Core	Total direct and indirect greenhouse gas emissions by weight	Yes	Pages 21 and 25
EN17 Core	Other relevant indirect greenhouse gas emissions by weight	Yes	Pages 21 and 25
EN19 Core	Emissions of ozone-depleting substances by weight	No	
EN20 Core	NOx, SOx, and other significant air emissions by type and weight	No	
EN21 Core	Total water discharge by quality and destination	No	
EN22 Core	Total weight of waste by type and disposal method	No	
EN23 Core	Total number and volume of significant spills	No	
EN26 Core	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	No	
EN27 Core	Percentage of products sold and their packaging materials that are reclaimed	No	
EN28 Core	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Yes	DTTL incurred no such fines or sanctions during its 2010 fiscal year.
EN29 Additional	Significant environmental impacts of transporting products, other goods and materials used for the organization's operations, and members of the workforce	Yes	Pages 21 and 25
Labor practices and decent work			
Disclosure on management approach		Yes	Page 30
LA1 Core	Total workforce by employment type	No	
LA2 Core	Total number and rate of employee turnover by age group	No	
LA4 Core	Percentage of employees covered by collective bargaining agreements	Yes	DTTL has no employees covered by collective bargaining agreements.
LA5 Core	Minimum notice period(s) regarding operational changes, including whether specified in collective agreements	Yes	Minimum notice periods, where applicable, are governed by state or local law.
LA7 Core	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work	No	
LA8 Core	Education, training, counseling, prevention, and risk control programs in place to assist workforce members, their families, or community members with serious diseases	Yes	Page 23
LA10 Core	Average hours of training per year per employee by employee category	No	
LA13 Core	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	No	
LA14 Core	Ratio of basic salary of men to women, by employee category	No	

GRI performance indicator			Inclusion	Location or disclosure
Human rights				
Disclosure on management approach			Yes	Page 30
HR1	Core	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	No	
HR2	Core	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	No	
HR4	Core	Total number of incidents of discrimination and actions taken	No	
HR5	Core	Operations identified where the right to exercise freedom of association and collective bargaining may be at significant risk, and actions to support these rights	Yes	DTTL has no such operations.
HR6	Core	Operations identified as having significant risk for incidents of child labor and measures to contribute to eliminate child labor	Yes	DTTL has no such operations.
HR7	Core	Operations identified as having significant risk for incidents of forced or compulsory labor and measures to contribute to the elimination of forced or compulsory labor	Yes	DTTL has no such operations.
HR9	Additional	Total number of incidents of violations involving rights of indigenous people and actions taken	Yes	DTTL had no such incidents during its 2010 fiscal year.
Society				
Disclosure on management approach			Yes	Page 15
SO1	Core	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	Yes	Page 15
SO2	Core	Percentage and total number of business units analyzed for risks related to corruption	No	
SO3	Core	Percentage of employees trained in organization's anti-corruption policies and procedures	No	
SO4	Core	Actions taken in response to incidents of corruption	No	
SO5	Core	Public policy positions and participation in public policy development and lobbying	Yes	Page 11
SO7	Additional	Total number of legal actions for anti-competitive behavior, antitrust, and monopoly practices and their outcomes	Yes	DTTL faced no such actions during its 2010 fiscal year.
SO8	Core	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Yes	DTTL incurred no such fines or sanctions during its 2010 fiscal year.

GRI performance indicator			Inclusion	Location or disclosure
Product responsibility				
Disclosure on management approach			Yes	Pages 27-28
PR1	Core	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and service categories subject to such procedures	No	
PR2	Additional	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycles, by type of outcomes	Yes	DTTL had no such incidents during its 2010 fiscal year.
PR3	Core	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	No	
PR4	Additional	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Yes	DTTL had no such incidents during its 2010 fiscal year.
PR6	Core	Programs for adherence to laws, standards, and voluntary codes related to marketing communications	No	
PR8	Additional	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Yes	DTTL received no such complaints during its 2010 fiscal year.
PR9	Core	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Yes	DTTL incurred no such fines during its 2010 fiscal year.

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