



**Are you ready for Industry 4.0?**  
2017 Global Impact Report



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## Deloitte Global Chief Executive Officer and Chairman of the Board letter

The Fourth Industrial Revolution (Industry 4.0) has arrived—and with it, a profound shift in how humans live and work.

Industrial revolutions have reshaped the world four times over the past four centuries. Deloitte was born as the First Industrial Revolution wound down, and helped bring accountability to the burgeoning railroad and manufacturing industries, and trust to capital markets.

The Second Industrial Revolution was marked by a wave of globalization, as innovations in rail, steam power, telegraph, and electricity facilitated greater movement of people and information. Around the world, Deloitte – and firms that would later be part of Deloitte—served clients with the increasingly sophisticated accounting procedures needed to support the rise of multinational corporations.

The emergence of the consulting profession as we know it, and enhancement of professional practices and tools used by accountants, occurred in response to the Third Industrial Revolution. Since that time, Deloitte has been at the forefront of the development of these professions, evolving to meet client needs and serve the public interest in the changing business environment.

And now Industry 4.0 brings the physical and digital worlds together, at a pace unmatched by previous industrial revolutions, embedding the power of data, analytics, and mobility into everything we do. Tremendous opportunities emerge almost daily, and organizations that are ready to seize these opportunities know that:

- Relevancy requires vision, deep insights, and speed
- Excellence stems from blending disciplined execution with innovation and transformative ideas
- Evolving needs of clients and professionals necessitate smart collaboration and strong relationships
- Getting results starts with asking the right questions and making a steadfast commitment to purpose as the inspiration for operational and talent strategies
- Advancing society means thinking beyond business implications

Deloitte is prepared to take on the challenges of a changing world, to seize the opportunities of a new era, and to advise clients as they do the same. Deloitte is ready. Are you? Explore our 2017 Global Impact Report to learn more.

Sincerely,

Handwritten signature of Punit Renjen in black ink.

Punit Renjen,  
Deloitte Global Chief Executive Officer

Handwritten signature of David Cruickshank in black ink.

David Cruickshank,  
Deloitte Global Chairman of the Board



Punit Renjen,  
Deloitte Global Chief Executive  
Officer



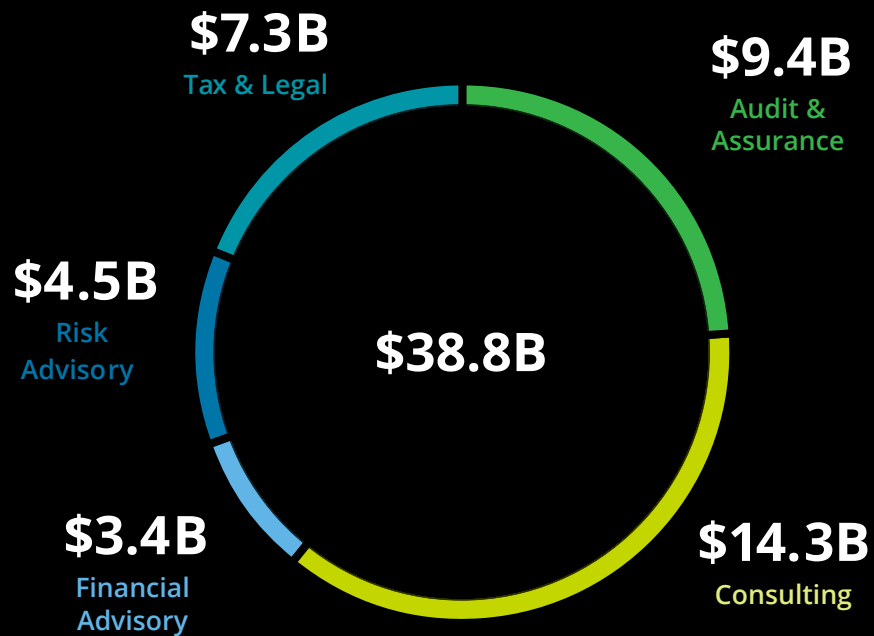
David Cruickshank,  
Deloitte Global Chairman of  
the Board



## REVENUE IN US\$

FY2017	FY2016	FY2015
\$38.8B (+7.1%)	\$36.8B (+9.5%)	\$35.2 (+7.6%)

### BY BUSINESS



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- Total headcount
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Note: Revenue figures are in US\$ billion. Percentage growth rates are in local currency. Global figures are aggregated across the global Deloitte network. Because of rounding, numbers may not tally with the total.

## REVENUE IN US\$

FY2017	FY2016	FY2015
\$38.8B (+7.1%)	\$36.8B (+9.5%)	\$35.2 (+7.6%)



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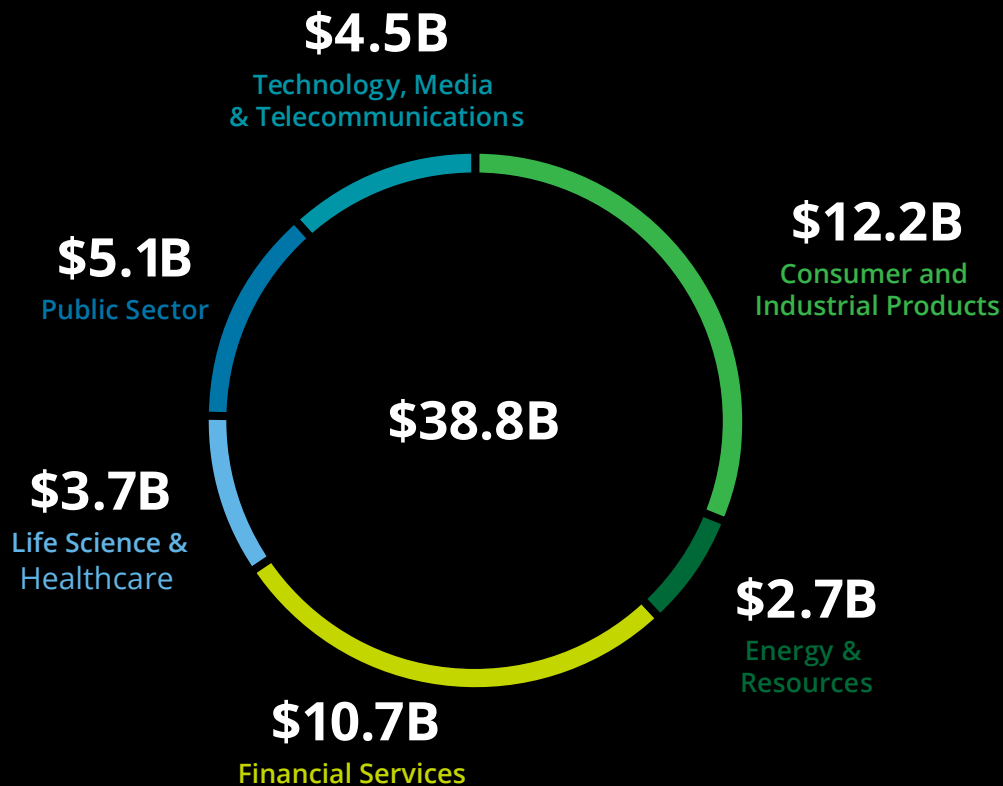
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Note: Revenue figures are in US\$ billion. Percentage growth rates are in local currency. Global figures are aggregated across the global Deloitte network. Because of rounding, numbers may not tally with the total.



## REVENUE IN US\$

FY2017	FY2016	FY2015
\$38.8B (+7.1%)	\$36.8B (+9.5%)	\$35.2 (+7.6%)

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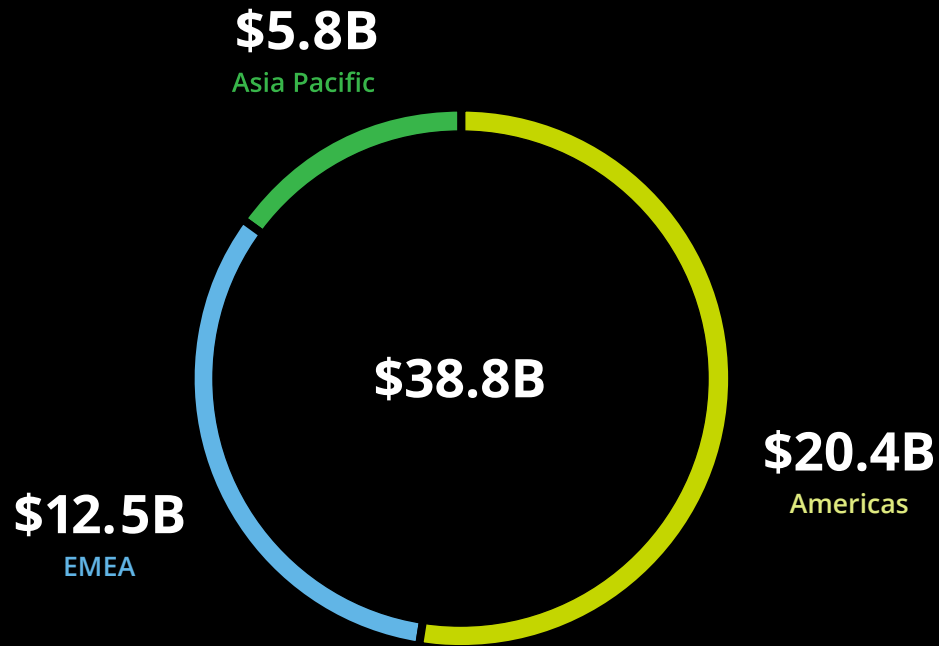
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Note: Revenue figures are in US\$ billion. Percentage growth rates are in local currency. Global figures are aggregated across the global Deloitte network. Because of rounding, numbers may not tally with the total.

## TOTAL HEADCOUNT

FY2017	FY2016	FY2015
263,900 (+8%)	244,400 (+8%)	225,400 (+7%)



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- Revenue
- Total headcount
- New hires
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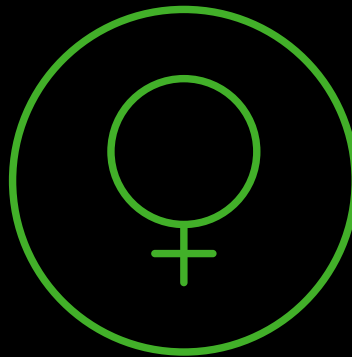
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**44%**  
116,668  
Women



**56%**  
147,256  
Men

Note: Global figures are aggregated across the global Deloitte network. Because of rounding, numbers may not tally with the total.

**TOTAL HEADCOUNT**

FY2017	FY2016	FY2015
263,900 (+8%)	244,400 (+8%)	225,400 (+7%)



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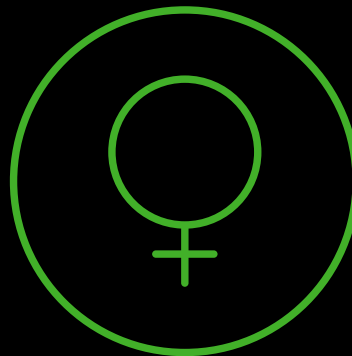
**EXECUTION**

**TRANSPARENCY AND REPORTING**

**43%**  
49,960  
**Americas**

**57%**  
65,427  
**Americas**

**44%**  
41,559  
**EMEA**



**56%**  
51,849  
**EMEA**

**46%**  
25,149  
**Asia Pacific**

**54%**  
29,980  
**Asia Pacific**

Americas: 115,387; EMEA: 93,408; Asia Pacific: 55,129

Note: Global figures are aggregated across the global Deloitte network. Because of rounding, numbers may not tally with the total.



**NEW HIRES**



FY2017	FY2016	FY2015
69,900 (+26%*)	71,800 (+29%*)	62,000 (+28%*)

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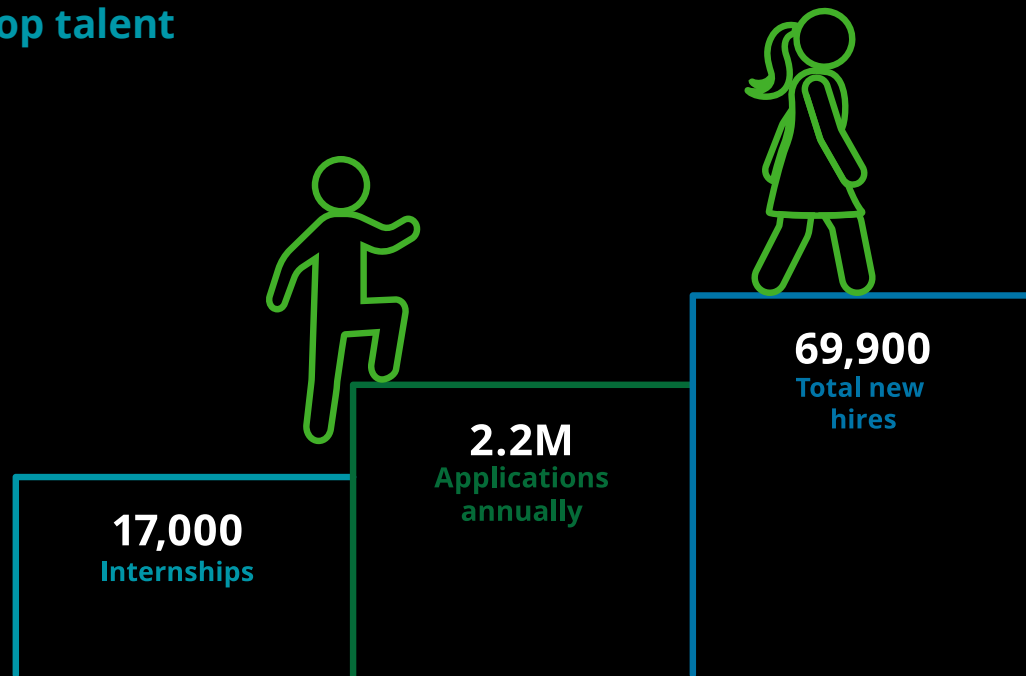
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**Attracting top talent**



Note: Global figures are aggregated across the global Deloitte network.  
 \*New hires as a percentage of total.



FY2017	FY2016	FY2015
\$204M (-8%)	\$230M (+8%)	\$213M (+11%)

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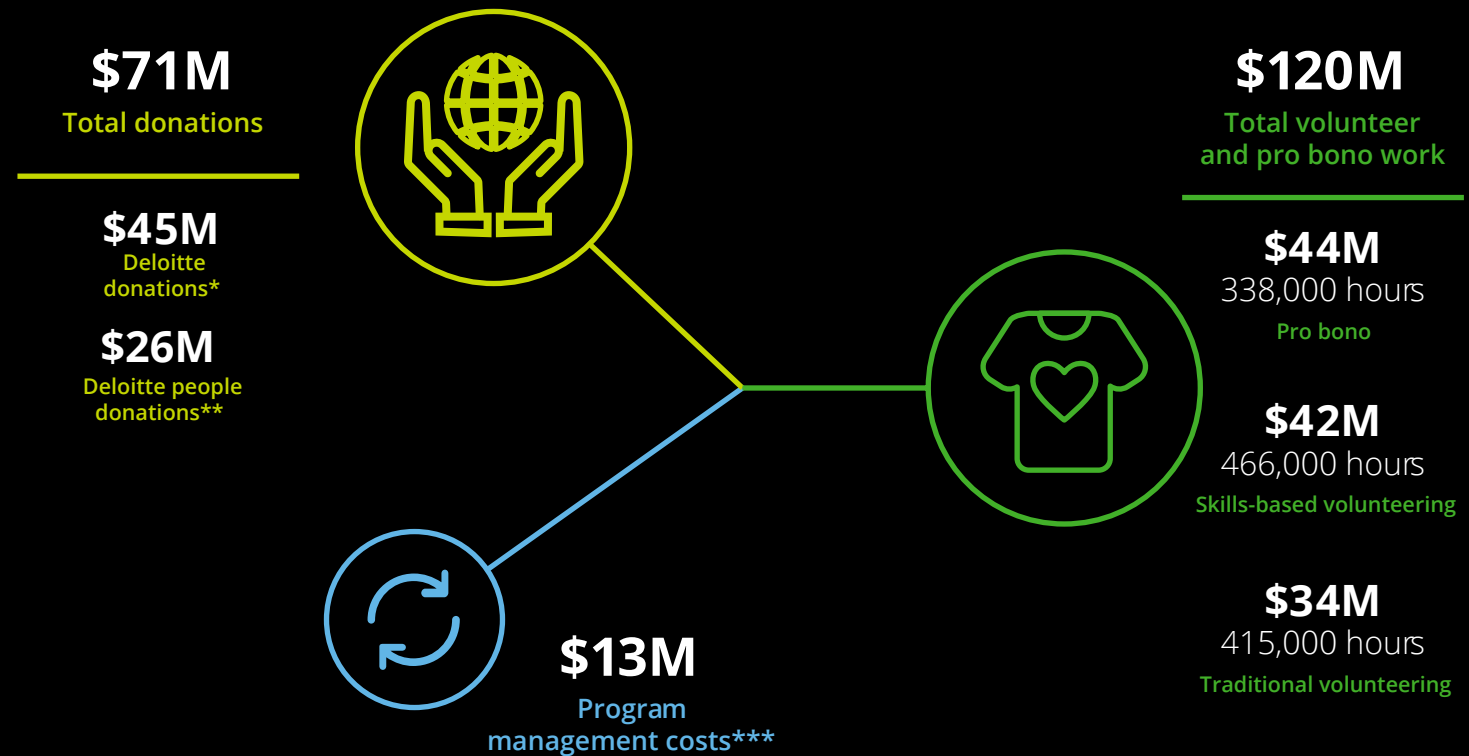
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Note: All figures are in US\$. All figures are aggregated across the global Deloitte network. Deloitte observes reporting standards from the Committee Encouraging Corporate Philanthropy and the London Benchmarking Group. The monetary value of community activities was estimated according to the type of service performed. The value of volunteer work was based on local staff costs. Pro bono work, defined as work that Deloitte has delivered to not-for-profit organizations free-of-charge or at a significantly reduced rate, has been valued at fair market rates representative of the local client service rates for comparable services.

\* Includes monetary and in-kind donations from Deloitte Global, member firms, and their foundations.

\*\* Includes Deloitte people's donations to supported organizations.

\*\*\* Includes Deloitte member firm foundation costs for managing societal impact programs.



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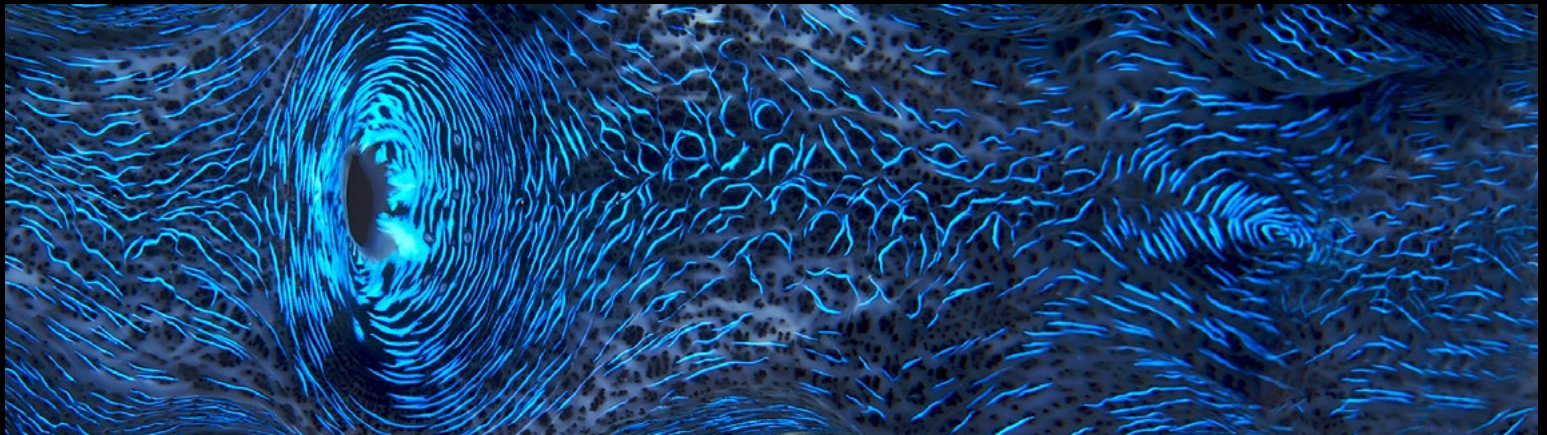
- Putting a price on societal impact helps raise awareness—and fuel success
- New initiative to prepare 50 million futures for a world of opportunity
- Why purpose matters in Industry 4.0

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## Voluntary value

Putting a price on societal impact helps raise awareness—and fuel success

### Protecting a natural asset

The Great Barrier Reef is the world's largest living organism. It's visible-from-space big. It's vital-to-a-continent's-economy big. And it's in trouble. Bleaching—caused by warm, acidic waters—is killing large swaths of coral. Besides the obvious environmental cost, the commercial consequences could be severe because the reef supports so much business activity, so many jobs and is so integral to Australia's brand.

Just how integral? That's what the [Great Barrier Reef Foundation](#) wanted to find out. The Foundation chose Deloitte's economics advisory practice in Deloitte Australia—known as Deloitte Access Economics (DAE)—to calculate the economic, social and iconic value of the reef.

"The Foundation approached us because, four years ago, we completed a high-profile economic contribution report for the Sydney Opera House," says John O'Mahony, partner, DAE, Deloitte Australia. "They believed a similar valuation of the reef could help people appreciate its importance, and shape thinking and policy around its future."

Drawing on more than 80 economic and scientific data sources, models and valuers—as well as a survey of 1,500 Australian and international respondents from 10 countries—the DAE team determined the reef is worth a staggering US\$42.5 billion. "When we started, we assumed we were going to come up with some pretty big numbers," he recalls, "but even we were surprised by just how big they were."

The overall amount included a direct contribution of US\$4.9 billion to Australia's economy and US\$22 billion in tourism benefits. DAE's research also determined 64,000 jobs are connected directly to the reef, more than half of respondents feel it is vital to the planet, and two-thirds would pay to protect it.

"More and more clients are seeking economic analysis to help inform strategy and decision making," O'Mahony says. "We hope that putting a dollar value on the Great Barrier Reef will help the Foundation inform policy areas that can impact this essentially invaluable natural asset. We also hope it emphasizes to Australians, and to the world, how threatened the reef is."



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### Measuring performance against promise

As a for-profit, public-benefit entity of its parent company, one US life sciences client pursues the creation of positive social impact alongside financial returns. The question is, how do you measure the impact you're making to prove you're meeting your strategic goals? Deloitte Consulting LLP (US) was engaged to find out.

Deloitte's social sector specialists in the US worked closely with the client as they prioritized impact goals and established standards, ensuring that measurement and evaluation techniques would be meaningful and credible for a team trying to transform health care for underserved patients in emerging markets.

"Together, we generated two levels of measurement," explains Joseph Klaja, principal, Deloitte Consulting LLP (US). The first shows how investment projects can help improve individual health outcomes and the broader health systems in areas in which the client works; the second gauges the overall effectiveness of the client's portfolio.

"Not only did the measurement framework make it possible for our client to evaluate their social impact, but it should also equip them to make decisions on resource allocation," Klaja says. "It's designed to scale as they grow and give them insights on how they could continually improve and tailor services, solutions and products to each market."

### It all starts with purpose

Software giant Intuit recently created a corporate social responsibility (CSR) strategy to help it focus and elevate its citizenship efforts in ways that strengthen its impact and reputation. The team felt it needed a unifying social purpose to rally behind. That's where Deloitte came in.

"They wanted something that felt authentic to the company's culture and mission, something that reflected their unique position as a business, their products and the aspirations of their people," says Steve Fineberg, Deloitte Financial Advisory Services LLP (US) partner and lead client service partner for Intuit. A benchmark study helped company leaders understand where Intuit stood relative to its peers, while workshops with dozens of stakeholders helped the client's CSR team identify potential focus areas.

The issue that ultimately resonated with Intuit was economic opportunity for youth. With its course set, the CSR team learned more about the issues facing youth and how the company could make an impact. In the months since, the team has hosted youth skills-development events and pursued programming and initiatives that help promote youth economic opportunities that leverage Intuit's people, products and position.

### Encouraging sustainable innovation

Working on behalf of the German government, GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) is Germany's leading provider of international cooperation services for sustainable development. Among its initiatives is the "[lab of tomorrow](#)," a concept that brings corporate executives, entrepreneurs and subject-matter experts together to work on business ideas that address specific challenges in developing countries.

"We teamed up with GIZ so we could learn more about the lab's participants' business needs and gain insights into their challenges in driving social innovations," says Nicolai Andersen, lead partner, Innovation, Deloitte Germany. "Together, we're trying to identify the best ways to scale the social innovation format into a sustainable and successful program."

The Deloitte Germany team developed a concept for sustainable innovation funding that uses social investment financing, which considers both financial return and social good. The team also developed a set of practical tools to support the project teams with their business development, and coached selected pilot teams on creating sustainable business concepts.



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## Deloitte's WorldClass vision

New initiative to prepare 50 million futures for a world of opportunity

### Addressing the employment gap

To understand the disruptive impact of Industry 4.0, consider that of every three children who entered primary school for the first time this year, two started a journey leading to jobs that likely don't exist today.

Preparing for this radically evolving workplace would be difficult enough if there wasn't already a huge gap between workers' skills and employers' job requirements. Almost 200 million people are unemployed globally while companies search exhaustively for qualified people. A quarter billion illiterate adults and almost 60 million children not attending school exacerbate the challenge.

"Millions of people are unable to fulfill their aspirations and potential. And that, in turn, is causing widening inequality, declining productivity and rising social tensions around the world," explains Deloitte Global CEO Punit Renjen.

Improving that situation is the focus of Deloitte's recently introduced, global social impact initiative, "[WorldClass](#)."

"The acceleration of technology and digitization across all aspects of life means there's an incredible need to help both people and organizations prepare for what's coming," says Stasha Santifort, Deloitte Global Corporate Responsibility & Sustainability leader. "WorldClass will help expand access to career-building opportunities for people left behind in the transformation to Industry 4.0." The goal is to reach 50 million futures by 2030, in line with the United Nations' Sustainable Development Goals (SDGs).

### Amplifying what works

The global initiative expands on Deloitte's many existing and successful local programs. "About one-third of Deloitte's social impact efforts—more than 100 programs—are aligned to education, skills and access to opportunity," Santifort explains. "WorldClass builds on their work helping create pathways for individuals to fulfill their personal and professional aspirations."

One of those Deloitte social impact strategies, One Million Futures (OMF), aims to help a million people in the next five years get to where they want to be. The strategy builds on the success of existing education, skills-building and social-innovation programs delivered by Deloitte UK. OMF has launched new relationships with 31 charities and social enterprises from across the UK, each selected for their strong local impact and ability to improve education and employability outcomes.



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“In the program’s first year, it reached about 135,000 people, including pupils from 23 schools in low-income communities through our [Deloitte Access program](#),” says Deloitte North West Europe CEO David Sproul. “And we welcomed many individuals who left school and directly transitioned into the [BrightStart apprenticeship program](#), giving students the chance to gain a government-approved apprenticeship alongside professional qualifications.”

OMF is just one example of Deloitte’s extensive track record developing and deploying education, skills and learning initiatives that foster individual economic progress. Others include Deloitte Middle East’s Digital Youth Program, which helps bridge the digital divide. More than 400 Deloitte Middle East professionals have volunteered in the digital-training process and positively impacted more than 4,000 children. Also, Deloitte LLP (US) recently launched RightStep, a program designed to improve college readiness for 500,000 students over the next three years by mobilizing 10,000 Deloitte LLP professionals as volunteers.

### Realizing refugees’ potential

Deloitte people in several countries are collaborating with Oxford University’s Refugee Studies Centre (RSC) and a global technology company on an innovative initiative, called “FuturesHub,” to help uncover the economic potential of refugees, with a particular focus on helping them find employment in their host countries.

To help guide their efforts, Deloitte and RSC conducted an exploratory study of refugees in Austria, the Netherlands and the UK. The research uncovered a paradox—many refugees are highly educated, yet 82 percent of those surveyed remain unemployed. The lack of proficiency in the local language was cited as one of the key barriers to employment.

“This work is helping fill in knowledge gaps about the economic lives, skills and talents of refugees,” says Jacques Buith, Deloitte North West Europe Risk Advisory partner and global lead client service partner for the United Nations. “By doing that, we not only can help refugees find work and become part of their communities, but we also can show how refugees can be positive contributors to society. The more we can do to change public opinion and influence policy and actions, the more people and communities we can help.”

### Looking ahead

During FY2018, the Deloitte Global Corporate Responsibility and Sustainability team is exploring how to use Deloitte’s innovation capabilities to enable educators and businesses to deliver the skills individuals really need to meet future job demands. The aim is to rapidly scale existing societal programs with the greatest potential and leverage Deloitte’s measurement abilities to accurately gauge tangible impact.

“Society, in general, expects business to tackle the world’s tough challenges,” Santifort says. “Deloitte people live our Purpose—to make an impact that matters—in many ways each day. We live it in the business solutions member firms offer clients, how we develop the leaders of the future, and the communities we support. Deloitte professionals are motivated by a purpose beyond profit. Through WorldClass, we are stepping up our commitment to do more.”

WorldClass will amplify Deloitte’s best societal initiatives and create new opportunities for Deloitte professionals, who devoted more than 400,000 pro bono and volunteer hours to education and skills building last year. “Just as importantly, because of the magnitude of this challenge, we need to approach and collaborate with other organizations to achieve more inclusive growth,” Santifort adds. “We hope to motivate others to join us in Deloitte’s ambition to reach 50 million futures.”



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## Why purpose matters in Industry 4.0

- [Deloitte Insights social impact portal](#)
- [Enhancing social impact through better monitoring, evaluation, and learning](#)
- [How to measure social return on investment](#)
- [License to innovate: Breakthrough strategies for social impact](#)
- [Driving corporate growth through social impact](#)
- [How To Keep “Purpose” From Becoming Just Another Corporate Buzzword](#)
- [Doing well by doing good](#)



## EDUCATION, SKILLS, AND OPPORTUNITY



**US\$69M**

Value of donations, our people's time and program management

**417,000**

Hours our people dedicated to volunteering and pro bono services

**100+**

Number of education and skills initiatives supported in FY2017

Note: Global figures are aggregated across the global Deloitte network.

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## IMPACT DAY



**76,000**

Total number of Deloitte people who participated in an Impact Day, where Deloitte professionals spend the day volunteering

Note: Global figures are aggregated across the global Deloitte network.





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- “Smart” strategies enable an inclusive, personalized and efficient future
- Alliances with iconic companies put deloitte clients on the inside track
- Why strategy matters in Industry 4.0
- Why Deloitte’s leadership matters

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## Mapping a route to success

“SMART” strategies enable an inclusive, personalized and efficient future

### What makes a “smart city” smart?

Discussions about smart cities often focus on using sensors and the internet of things (IoT) to better manage city services like mass transit, wastewater systems, roads and other public infrastructure. While these connected devices and assets are important, Bill Eggers believes focusing inordinately on the hardware leads to an incomplete vision for building a smarter city.

“A large part of the promise of data science, behavioral science and internet technology is how they can help city planners make smarter decisions. But, technology can also be used to tap into any city’s greatest asset: its citizens,” says Eggers, executive director of the Deloitte LLP (US) Center for Government Insights. “Along with top-down plans for their physical infrastructures, city planners should think creatively about how to leverage technology to better serve and connect to citizens in their smart city models.”

Traditional channels like surveys and town meetings can still be useful methods for engaging with citizens, but technology creates exciting new ways to potentially access direct input from city residents. Jim Guszczka, Deloitte Consulting LLP (US) principal and chief data scientist, cites sidewalk placement in city parks as an illustration of how to potentially tap into the physical and digital breadcrumbs people leave behind. “You could have all kinds of experts do studies on proper design. Or, you could watch where people walk and look for the places where the paths are worn,” he says. Analogously, people’s digital footprints can provide valuable information—from online reviews that can direct health inspectors to restaurants with likely code violations, to texts that report locations of potholes that need to be filled.

City planners and long-term strategies will remain important to the successful functioning of any city. But, the cities of the future will be built upon smart frameworks, like those designed and developed by Deloitte, that respond more efficiently to the needs of citizens.

### Creating a living laboratory

In 2016, Columbus, Ohio, beat out 77 other cities to win the US Department of Transportation’s Smart City Challenge. The title came with a \$40 million grant from the US Department of Transportation and \$10 million from the Vulcan Foundation to pilot mobility innovation designed to improve the quality of life for the citizens of Ohio’s capital city and then be scaled across other cities. The competition asked city governments how they would leverage mobility options, analytics and other technologies to improve citizens’ lives.



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The Smart Columbus team worked with Deloitte Consulting LLP (US) to develop an integrated roadmap, operating and organizational models, a prioritized set of initiatives, and sample metrics for measuring progress. The vision for Smart Columbus includes building a more sustainable transportation network to serve all of its population; piloting new technologies that could make Columbus a living laboratory for smart mobility; and inspiring a culture shift in which city residents and planners alike are eager to explore and adopt new ideas.

The city currently is working on an integrated data exchange, called the Smart Columbus Operating System, that is expected to act as the brain of the city’s connected transportation system and could eventually expand across other smart city domains. “The city has ambitious ideas, and winning the Smart City Challenge grant has helped them immensely with their efforts,” says Rana Sen, Deloitte Consulting LLP (US) managing director and public sector smart city initiative lead. “Now, the Smart Columbus team has the opportunity create a smart city model that not only serves its residents and visitors, but also one that others can emulate.”

### **A connected city at sea**

Cruise ships are essentially self-contained cities, large enough that people may need assistance navigating the many options on board, but small enough that everyone can receive personal pampering. Three years ago, Swiss-based MSC Cruises—the world’s largest privately owned cruise line and brand market leader in Europe and South America—decided to embark on its own journey, a full-scale transformation of its fleet to create a truly differentiated and personalized cruise experience. Deloitte Italy’s Deloitte Digital practice, which has worked with MSC Cruises on its most ambitious change programs since 2012, joined them for the ride.

With the June 2017 launch of its next-generation megaship, MSC Meraviglia, the MSC Cruises Business Innovation Team and Deloitte Digital teamed up to successfully implement “MSC for Me.” It’s an industry-first digital innovation program designed to elevate on-board customer experience by enhancing the way guests interact with the ship and her crew.

“MSC for Me” offers passengers more than 130 smart features, including a dedicated app to help them tailor their vacations at any point during their cruises. The technology can help people find their way around MSC Cruise’s huge ships and locate their children, as needed. It also allows guests to easily book services, restaurants, excursions, shows and more in real time. It has a planning tool they can then use to check in, either before embarking or when on board. It even has a virtual reality function they can use to preview excursions. Interactive bracelets connect with 3,000 Bluetooth/NFC beacons to offer geo-located activity suggestions, and soon, facial recognition will help staff take care of people in a highly customized way.

“Our ships are like smart, connected cities, but with the added complexity of being at sea,” says Luca Pronzati, MSC Cruises Chief Business Innovation officer. “MSC for Me brings some of the latest and most-advanced customer solutions and technology on board our ships. In fact, most of these will be available for the first time ever on a cruise ship.” The company currently is pursuing a fleetwide rollout of the program. Pronzati says, “Our fleet will demonstrate our commitment to innovation today and for years to come, making our ships a holiday destination in their own right.”

“From customer research and conceptual envisioning to user interface design, business adoption and change management, we have joined with MSC Cruises to elevate the customer experience and innovate best of breed solutions, with digital at the core,” says Andrea Laurenza, partner, Deloitte Digital. Adds project lead Tom Jefferies, Deloitte Digital director: “MSC for Me truly responds to the diversity of needs and wants of people on board. It represents an exciting evolution in the cruise customer experience, and we were excited and proud to help make it happen.”

### **Improved insights in M&A**

Mergers and acquisitions (M&A) due diligence was due for an upgrade, and iDeal made it happen. Introduced in FY2017, iDeal is an integrated system of analytics, tools and approaches that extracts deeper, more meaningful insights from a target’s M&A data and provides real-time answers and analyses.



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“Historically, many M&A decisions are based on high-level trends when, in fact, the devil is in the details,” explains Matt Jiggins, partner, M&A Transaction Services for Deloitte France and iDeal’s global project leader. “Potential buyers often don’t have the time to be thorough enough, and as a result, they might not find out the real story behind the numbers until it’s too late. With intuitive interfaces and near real-time analytics, iDeal makes it faster and easier to generate the insights buyers truly need.”

Jiggins says the ability to dive into data to find subtle nuances and hidden nuggets of information—not just during due diligence—is at iDeal’s core. “This is an end-to-end solution that focuses on developing insights at every step of the M&A lifecycle,” he says.

### Smart, rapid reports

Annual reports are remarkable sources of information because they can reveal strategies and expose risks faced by companies and industries. Squeezing out the juiciest data, though, can be either tedious or expensive, depending on whether a company does its own research or pays for third-party analyses.

A team of data scientists from Deloitte Netherlands had a better idea. “We wanted to create fast, simple, easy-to-read, fact-based reports for everyone—reports that offer insights into an almost infinite amount of data, but allows readers to draw their own conclusions,” says Ewout Bolhuis, Deloitte Netherlands’ director of Innovation.

The team’s solution is [DeloitteSmartReports.com](https://www.deloitte.com/nl/en/industry/40/smart-reports), software that uses artificial intelligence (AI), natural-language processing and advanced analytics to review more than 100,000 annual reports and provide exactly what the client requests—in less than a minute. And, at an affordable cost.

Clients—who often are interested in analyzing competitor’s reports—can choose analyses related to strategy or risk. “Our customized strategy reports can identify industry trends, where the competition is going and how a particular business compares,” Bolhuis says. “And our risk reports can help leaders understand and benchmark their business’ risks and show what their competition is struggling with.”



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## Bridging the physical-to-digital divide

Alliances with iconic companies put Deloitte clients on the inside track

### A differentiating approach

The winners in the chase for top spots in the business world may someday thank the pros who race Formula 1 cars. McLaren Applied Technologies is a pioneer in collecting data through sensors and then interpreting and using that information to win automotive races. Now, through [an alliance with Deloitte UK](#), McLaren is introducing its successful, data-driven business products to a broader global audience. Deloitte, meanwhile, is drawing on McLaren’s engineering, sensor, simulation and analytics experience to benefit clients.

“By combining McLaren’s capabilities with our own digital and analytics skills, we will co-create some revolutionary products,” says Mike Dobby, Deloitte UK partner. Those products—which focus initially on the health care, life sciences, retail and transport industries—will combine specialist hardware and software with sophisticated algorithms in ways that can bridge the “physical-to-digital” divide challenging many organizations.

The McLaren alliance is one of several that Deloitte firms have forged among the world’s most admired companies, including Amazon Web Services, Facebook, Hewlett Packard Enterprise, Oracle and SAP. “Building on Deloitte’s industry sector strength, along with our capabilities in digital and business transformation, we know Deloitte clients are better served when we align with great companies to enhance our solutions,” says Ken Hutt, Strategy & Innovation leader, Deloitte Global. “But, these alliances do more than simply add value for Deloitte, its clients and its alliance companions. They can shape entire markets and business models.”

Paul Silvergate, partner, Deloitte & Touche LLP (US) points to the alliance with HP as an example. “Together, we’ll work to help large enterprises transform efficiently and effectively, integrating solutions such as Device as a Service (DaaS) and, in manufacturing operations, reinventing their product design and supply chains through large-scale adoption of HP’s 3D printing systems,” he says. “3D printing has the potential to fundamentally change manufacturing as we know it.” Alliances like those with Amazon and Facebook also have the potential to advance the way work gets done by helping clients evolve more into digital businesses.

“Collaborations are important to Deloitte’s strategy moving forward because they give us advantages that can be game-changing for clients,” Hutt explains. “When businesses have challenges to solve, they often look to Deloitte already. But, when we can offer the inventive capabilities of companies like Apple, HP or McLaren on top of Deloitte’s, that’s a real differentiator.”



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### Strategic acquisitions

In addition to many newly formed alliances, Deloitte firms acquired 21 companies during FY2017, many of which will enhance the network’s analytics, cyber and digital capabilities. Those strategic acquisitions include:

- [Casey Quirk](#), the world’s largest strategy consultancy devoted exclusively to serving the asset-management industry. (Deloitte Consulting LLP (US))
- [Cornerstone Group of Companies](#), a digital marketing and analytics firm with more than a quarter century of success in customer acquisition and retention. (Deloitte Canada)
- [Day1 Solutions LLC](#), a cloud and enterprise solutions provider. (Deloitte Consulting LLP (US))
- [Integrity-Paahi Solutions Inc.](#), a leading information services security provider. (Deloitte Canada)
- [Market Gravity](#), a proposition design consultancy that helps the world’s leading brands create and launch products and services. (Deloitte UK)
- [Microeconomix](#), a leading provider of microeconomic analysis and econometrics consulting services. (Deloitte France)
- [Morse Consulting](#), an investment and wealth sector advisory service provider. (Deloitte Australia)
- [Regester Larkin](#), a crisis-, issues- and reputation-management consultancy firm. (Deloitte UK)
- [Strut Digital](#), a boutique technology company and managed-services provider that helps companies move to and manage cloud-based IT environments. (Deloitte Australia)
- [Web Decisions LLC](#), a data management and marketing services company that excels at personalizing key customer touchpoints. (Deloitte Consulting LLP (US))



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- [Smart city portal](#)
- [Future of mobility video](#)
- [Deloitte Insights future of mobility portal](#)
- [Innovation in M&A](#)
- [Blockchain—moving beyond proof of concept](#)
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- [Global leader in Business Intelligence by Forrester](#)
- [Global leader in IT Strategy Consulting by ALM Intelligence](#)
- [#1 globally in Security Consulting based on revenue by Gartner, 5th Consecutive Year](#)
- Worldwide leader in Business Consulting by IDC
- [Global leader in Digital Innovation Consulting by ALM Intelligence](#)
- Global leader in Digital Logistics Consulting by ALM Intelligence
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- [Leader in Healthcare Cybersecurity Consulting by ALM Intelligence](#)
- Leader in Digital Information for Alternative Care Models Healthcare Consulting by ALM Intelligence
- [Global leader in IT Application & Software Consulting by ALM Intelligence](#)
- [Global leader in Disputes and Litigation Consulting by ALM Intelligence](#)
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- [Global leader in Security Operations Consulting by ALM Intelligence](#)
- [Global leader in Enterprise Risk Management Consulting by ALM Intelligence](#)
- Global leader in Information Security Consulting by Forrester
- Worldwide leader in Business Analytics Consulting and System Integration Services by IDC
- Worldwide leader in Big Data Consulting and Systems Integration by IDC
- [Global leader in Reputation Risk & Crisis Management Consulting by ALM Intelligence](#)



## FORTUNE GLOBAL 500® COMPANIES SERVED BY DELOITTE



**82%**

Fortune Global 500® companies

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## Say “hello” to the augmented workforce

Better connectivity and cognitive tools are altering the very nature of work

### Apple and Deloitte team up

The work of the future? It's already here. Just look at all the laptops and tablets in the neighborhood coffee shop. The number of emails being sent “off hours.” The configuration of office space. The growth of virtual work groups. The number of people doing different jobs because computers are performing their routine, mundane tasks. The explosion of the “gig” economy.

“Our jobs likely will continue to be more networked, more mobile, more team-based, more project-based, more collaborative, more real-time, and more fluid,” says Josh Bersin, principal, Deloitte Consulting LLP (US). “Digital technology is making this all possible. It’s fundamentally changing how, when and where we work.”

Among the more pervasive technologies leading the charge are the iPhone®, iPad® and the iOS mobile operating system created and developed by Apple. Deloitte has more than 100,000 professionals using iOS devices as part of their daily work routines. These professionals have more than 40 native iOS apps available to them, so Deloitte understands the benefits of the technology intimately.

During FY2017, Deloitte and Apple joined forces to transform the way companies work by maximizing the power, ease-of-use and security the iOS platform brings to the workplace. “We want to help employees work the way they live in a mobile world,” says Mike Brinker, Deloitte Consulting LLP (US) principal and Apple alliance leader.

Deloitte created a first-of-its-kind Apple practice with more than 5,000 strategic advisors and practitioners who are focused on helping businesses change the way they work across their entire enterprise—from customer-facing functions such as retail, field services and recruiting to R&D, inventory management and back-office systems.

Apple and Deloitte Consulting LLP (US) collaborated on the development of a new service offering called EnterpriseNext. It consists of tools and workshops designed to accelerate the process of ideation, prototyping and evaluating mobile opportunities for iPhone® and iPad®.

Among those tools, Brinker says, are iOS Value Maps that “help companies discover the highest-impact possibilities for iPhone and iPad within their industries, and then prioritize the most meaningful opportunities for mobile transformation.”

EnterpriseNext workshops are two-week sessions—held in Apple Design Labs, Deloitte Digital studios and Deloitte Greenhouse facilities around the world—that strive to turn ideas into prototypes. “We deep dive into how we can mobilize tasks, process and



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workflows on iOS," Brinker says. "What typically makes these sessions productive is having industry experts, iOS app developers, enterprise architects and business leaders in the same room working toward common goals."

Once customer-specific prototypes are built, industry specialists and technical teams collaborate to develop custom iOS solutions that are easily deployable and integrate seamlessly with existing business platforms.

In the year-plus since the alliance was announced, Deloitte has been delivering Apple solutions, launching additional country practices and building industry-specific iOS capabilities. "We've conducted hundreds of client meetings, workshops, Apple Executive Briefing Center visits and started many new engagements," Brinker says. "We've also built solutions for multiple enterprise platforms, and now have dedicated Apple and Deloitte alliance leadership in eight countries around the world."

### Augmented actuaries

Professionals who are concerned about being replaced by artificial intelligence might need to only look at the insurance industry to see how technology is more likely to upgrade their jobs than render them unnecessary.

"Several insurance companies are beginning to automate actuarial processes," says Darryl Wagner, Deloitte Global Actuarial, Rewards & Analytics leader. "Instead of having highly skilled people spending time on repetitive tasks or raw calculations, that work can be largely handled by technology—allowing actuaries to make a bigger impact by applying their analytical skills, assisted by smarter machines, to broader business questions which heretofore they have not had the time or resources to address."

Deloitte Consulting LLP (US) is helping insurance companies expand the capabilities of their actuaries, actuarial processes and technology through a program called the Exponential Actuary™. Deloitte is co-developing this suite of solutions with several clients, including a large, global insurance company that wanted to streamline its actuarial process, starting with reducing the time spent creating regulatory memos and reports.

"Part of what the development team did was suggest a content management solution and natural-language generation engine to take core actuarial data and automate a first-pass creation of memo content," explains Tony Johnson, senior manager, Deloitte Consulting LLP (US). "That solution seemed to help increase memo quality and consistency. But, just as importantly, it has reduced the work on actuaries developing memos, enabling them to spend more time on higher-value activities and work that can't be done by machines."

### People-predicting analytics

As cloud-based human resource systems become more mainstream, companies are beginning to use data for all aspects of workforce planning, talent management and operational improvement. Analytics is being applied to a wide range of human resource challenges, from recruiting and retention to performance measurement, compensation and workforce planning.

The [2017 Deloitte Global Human Capital Trends report](#) found 71 percent of companies see people analytics as a high priority in their organizations. Yet, progress has been slow and readiness is lagging, according to Bill Pelster, principal, Deloitte Consulting LLP (US). "After years of talking about this issue," Pelster says, "only 8 percent of companies report they have usable data and only 9 percent believe they have a good understanding of which talent dimensions drive performance in their organizations."

[iNostix by Deloitte](#), acquired by Deloitte Belgium in FY2016, is helping employers elevate those numbers. "Last year's acquisition of iNostix significantly expanded our predictive human resource analytics capabilities," says Yves van Durme, Human Capital leader for Deloitte Belgium. "With these tools, we are using data and analytics to help solve clients' problems with engagement, leadership, learning and recruitment like never before."

"iNostix delivers a range of services in people analytics, including the use of algorithms that can predict the success of new hires, the performance of existing talent, and employee turnover," explains iNostix founder Luc Smeyers, Human Capital senior director for Deloitte Belgium. "The clients using iNostix are getting insights quickly for internal people decision making without having to invest in heavy data science capabilities."



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### Helping education evolve

As jobs change, so should university curriculums. That doesn't happen overnight, though. It takes time and money.

The Deloitte Foundation, the not-for-profit arm of Deloitte LLP (US), recently renewed its commitment to help support the development of future accountants and educators by pledging funding to the American Accounting Association.

"Accountants' jobs are augmented more and more by exponential technologies, but many schools' curriculums aren't keeping up with the pace of change," says Tonie Leatherberry, Deloitte Consulting LLP (US) principal and president of the Deloitte Foundation. "To sustain the profession—not just for Deloitte, but for a world that needs accountants and auditors that represent the diversity of our society—it's important to grow the pipeline of future certified public accountants, strengthen the quantity and quality of accounting professors who teach those students, and improve programs at a broad number of schools."



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## Transforming talent

New resourcing and acquisition models add to Deloitte's agility, diversity

### A world of expertise

In a global economy characterized by rapid technological change and disruption, organizations frequently struggle to acquire and retain the skills and talent they need when they need them. That includes Deloitte.

Enter Deloitte Pixel™, an enterprise crowdsourcing capability that lets Deloitte tap into specific, external expertise from around the world to help clients uncover innovative solutions to current strategic or operational challenges. Pixel relies on three models. In the first model, specialists compete for outcomes and prizes. The second is collaborative, where participants build upon each other's ideas. And the third breaks large problems into smaller pieces and lets contributors tackle those parts independently.

"Deloitte Consulting LLP (US) has developed relationships with close to 20 leading crowdsourcing vendors in the marketplace," explains Balaji Bondili, Deloitte Consulting LLP (US) senior manager and Deloitte Pixel lead. "That allows us to achieve the best mix of crowdsourcing and traditional resourcing so we can deliver cohesive solutions efficiently."

Deloitte Pixel has been used with clients across industries to help address a variety of issues including market insight, customer engagement, operations, digital design and development, and talent strategy. "We are working to create better and more-scalable solutions at lower costs than even in-house teams," Bondili says.

In one instance, 2,500 industrial designers were asked to reimagine a common piece of office equipment. In another, hundreds of data scientists were asked how they could help a bank predict infrastructure delivery times while increasing the efficiency of its IT automation efforts and better coordinating the work performed between machines and people. "These clients were both well-known, global corporations that had large teams of specialists in these particular areas," Bondili explains. "But, when we added crowdsourcing to the equation, along with our own professionals' skills and knowledge, it opened their minds to new possibilities that none of us could envision on our own."

Deloitte Pixel generated 25 solid concepts for the office-equipment client. And the banking client received the niche talent needed to generate vast amounts of complex training data and develop a predictive machine-learning application that improved planning and decision making.



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The result of collaborative efforts involving Deloitte professionals in several member firms, Deloitte Pixel is part of a comprehensive talent strategy that allows Deloitte to secure the right kinds of specialists, both internally and externally, to meet clients' complex business needs.

### Tapping the power of our people

Deloitte Consulting LLP (US) teams are piloting an internal crowdsourcing solution, ConnecteD, which is designed to match people with targeted internal assignments—from pursuing new business to solution development. "ConnecteD gives our professionals more opportunities to self-direct their practice contributions, ideally in ways that allow them to pursue their passions, develop their skills and broaden their network of relationships," says David Rizzo, Deloitte Consulting LLP (US) principal and chief talent officer.

The ConnecteD team enlisted Deloitte Pixel's specialists to help design and build an agile task marketplace solution. "The Deloitte Pixel team knows a great deal about what motivates crowds and what incentive levers to pull to drive results," Rizzo explains. A beta launch in 2017 is informing ConnecteD's broader rollout, planned for the first half of 2018. Member firms outside the US are also exploring similar tools.

### Contractor communities

Also gaining traction at Deloitte is the addition of freelancers to the talent mix. About a dozen Deloitte programs—including Deloitte Open Talent in the US, Deloitte Associates in the UK and Deloitte Africa's Recruit Talent—invite independent contractors to become part of the Deloitte community. Deloitte UK, for example, has a network of 3,500 potential contributors who are eligible for project work. In FY2017, 550 of those contractors worked on cross-functional projects. Similar to Deloitte Africa, which has a network of more than 20,000 contractors, the UK firm often leverages Deloitte alumni as part of that talent pool.

"We've created a formal, yet agile process to build a strong community of external talent that we can access quickly," says Nigel Hinson, head of Associate Resourcing, Deloitte UK. At Deloitte Associates' core is a portal where contractors register to be evaluated and approved. Once their skills are verified, they can either apply for posted project work or be contacted by Deloitte UK when they're particularly suited to projects that arise. "We built a platform that understands and responds to the way that contractors like to work," Hinson adds. "Our process helps us find qualified people in a responsive way and meets the demands of the business."

### Robotics in recruiting

Even as Deloitte increases the involvement of freelancers, the need for in-house talent will remain strong. To find the most-qualified people, some member firms are investing in cognitive intelligence, robotic process automation (RPA), chatbots and expanded use of video to revolutionize the recruiting process.

Deloitte Australia will soon pilot technology that completely automates engagement, relationship management, talent pooling and the candidate experience right through to the phone interview. "Ultimately, this should give us a huge number of prequalified candidates for all potential work engagements at the Australian firm," says Michael de Graaf, senior Talent manager, Deloitte Australia. "And we'll be able to cut almost a month out of the time it takes to find candidates and fill jobs, which is good for job seekers and for us."

A similar initiative in the US is designed to use advanced algorithms to quickly and accurately match candidates with jobs. "Right now, it can be confusing for applicants to sift through all the job openings on our site," says Kerry Sullivan, senior recruitment manager, Deloitte Services LP (US). "The system we're implementing looks at all profiles and positions and works to identify the correct career opportunity for each potential candidate."

Throughout the recruiting process, Sullivan explains: "We want to meet candidates where they are and utilize communication methods they prefer, while also using technology that helps us process candidate information more efficiently. These new tools are designed to help get the right people into the right jobs at the right time, and they virtually eliminate bias from the screening process."



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### Inclusion includes clients

A lack of bias is paramount when seeking professionals who represent the inclusive workforce of the future—top talent with different life experiences, perspectives and skill sets. “We work hard to ensure our people reflect the make-up of today’s society,” says Emma Codd, managing partner for Talent, Deloitte UK. “However, a diverse talent pool can only be achieved within an inclusive environment which has respect at its core and where everyone feels able to be themselves.”

Codd adds that achieving this “requires strong leadership and a clear tone from the top supported by education programs, recruitment activities, and diversity and inclusion networks.” Through a variety of global business resource groups (BRGs), Deloitte offers its people opportunities to connect, build strong networks to help navigate their careers, contribute to local communities, and provide feedback to leadership on related policies and practices. At Deloitte UK, for example, 10 diversity networks connect around 6,000 members who share affinity indicators such as gender, race, religion, sexual orientation, disability, and parenting/caring responsibilities.

One BRG active in Deloitte UK and in other Deloitte firms is the Lesbian, Gay, Bisexual, Transgender and Allies (GLOBE and Allies) group. “In addition to helping with campus recruiting and offering a mentor program to develop Deloitte people, we work with community organizations to lead workshops and connect with groups that often include various companies,” says Antonio Crombie, Deloitte & Touche LLP (US) manager and a GLOBE and Allies leader. “I’ve spoken with multiple organizations to discuss our LGBTQ inclusion strategy and share with them approaches and ideas to help them develop theirs. Ultimately, business wins result from a series of conversations that start somewhere. I’d like to think some started with us.”

### Diversity-driven action

Deloitte Israel is participating in a state-initiated diversity program that promotes Israeli-Arab integration in the workforce. To fully realize the program’s potential, “We listed a set of goals and integrated them into our annual strategy,” explains Ilan Birnfeld, Deloitte Israel CEO. “Not only did we meet all of our goals, but we also began advising other organizations on how to integrate Arab employees.”

The business sector in Israeli-Arab society is facing multiple challenges that inhibit its ability to expand into new markets. Birnfeld believes Deloitte Israel can benefit these businesses by introducing them to thriving, international companies, global knowledge bases, best practices and innovative technologies. “In addition to curtailing inequality and promoting positive models and business initiatives from all parts of Israeli society, we discovered a great market for world-class professional services that’s largely untapped by any of our competitors.”

Deloitte Israel has opened offices in Nazareth, the heart of the Arab business sector, offering end-to-end solutions with an emphasis on the sector’s unique challenges. “Our Nazareth offices will be run and directed by Arab directors who can relate to their clients’ needs and sensitivities and can overcome culture and language barriers,” Birnfeld says. “So, what started as a desire for a more-inclusive workplace has led to leadership opportunities for some extraordinary professionals, and opened new business avenues for Deloitte Israel.”

### Professional development, family balance

In FY2017, Deloitte advanced other initiatives designed to support the career development and personal wellbeing of its professionals, including:

- Opening the doors to its fifth and sixth Deloitte University (DU) facilities—Deloitte University North in Toronto, Canada, and Deloitte University Asia Pacific in Sentosa Island, Singapore. In 2017, 65,000 Deloitte professionals participated in DU leadership development programs.
- Evolving its family leave policies to further recognize the diverse needs of families and changing dynamics of caregiving. Deloitte LLP (US), for example, unveiled one of the country’s broadest and most progressive leave policies. Deloitte LLP talent may now receive up to 16 weeks of fully paid extended family leave to support a range of life events impacting Deloitte LLP people and their families—from supporting aging parents, to caring for a spouse or a significant other, to celebrating the arrival of a new child.



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- Launching a new, strengths-based performance-management experience across the network that forgoes individual ratings and annual performance reviews in favor of frequent, meaningful conversations between team members and team leaders. These conversations—coupled with real-time, reliable assessments of each individual's performance—make it easier to understand and recognize performance throughout the year.



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- [Deloitte Insights future of work portal](#)
- [Future of work video](#)
- [Preparing your organization for the new worker ecosystem](#)
- [Future of Work from Deloitte Review](#)
- [Transitioning to the Future of Work and the Workplace](#)
- [The Future Of Work: It's Already Here—And Not As Scary As You Think](#)





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- Why talent matters in Industry 4.0
- Why Deloitte's leadership matters

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## Why Deloitte's leadership matters

- Global leader in Digital HR Transformation Consulting by ALM Intelligence
- Global leader in HR Technology Advisory Services by ALM Intelligence
- Global leader in Employee Experience Consulting by ALM Intelligence
- Global leader in Performance Management Consulting by ALM Intelligence
- [Global leader in Human Capital Risk Management Consulting by ALM Intelligence](#)

## INVESTING IN OUR PEOPLE

65,000

Deloitte people experienced  
Deloitte University



2,469

Partners, principals,  
and directors led  
Deloitte University programs

3.6M+

e-learning courses  
completed



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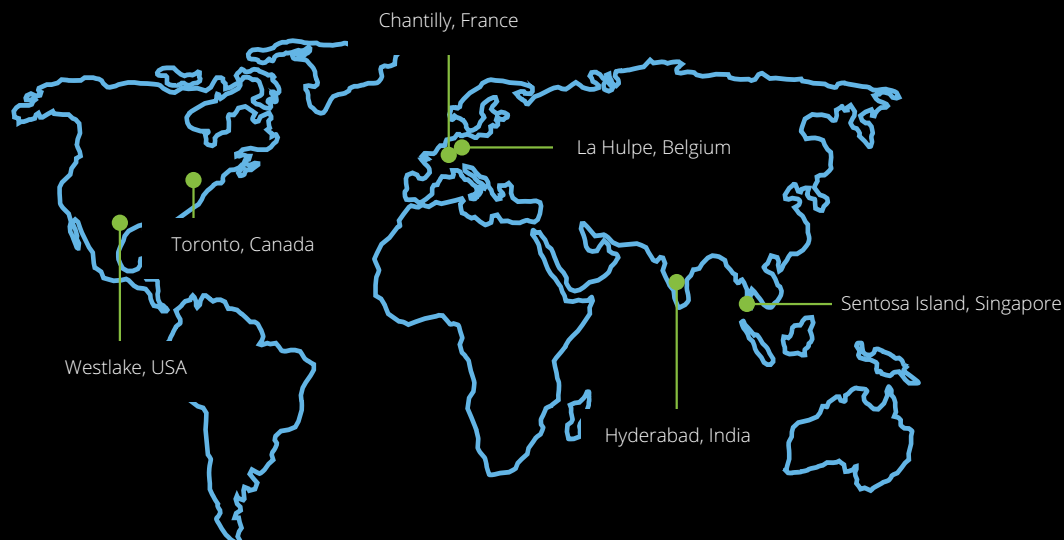
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Deloitte University—6 facilities, 3 continents, more than 65,000 attendees from 80+ countries



Note: Global figures are aggregated across the global Deloitte network.



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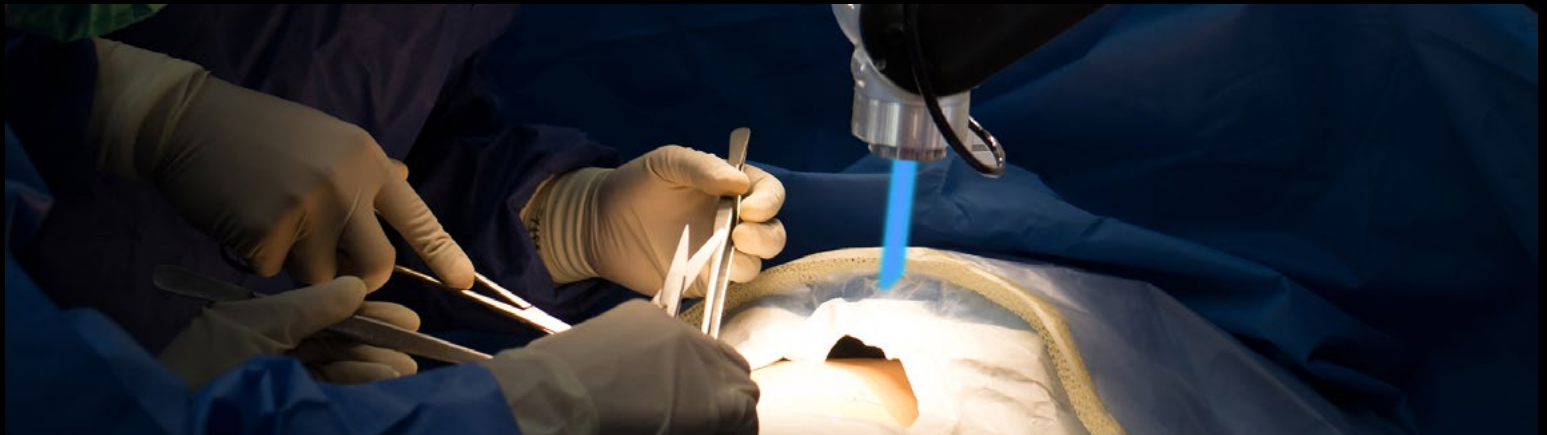
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## Physical, meet digital

From factories to physician's offices, high tech is revolutionizing routines

### Bringing dormant data to life

There's evidence that an ochre-based paint factory may have existed in an African cave 100,000 years ago. By the 12th century, Venetian ships were produced on an assembly line. Steam and hydraulics advanced manufacturing in the late 1700s, as did electricity a century later, and computers a century after that.

What hasn't changed much until recently, though, is the supply chain, which traditionally is linear in nature—design, plan, source, make and deliver. But, advances in technology and innovation allow previously unconnected sensors, processes, systems, and information across the supply chain to be easily connected in real time. The result is a vastly different digital supply network, and it's powering the rise of smart factories.

"The smart factory has a fully connected and flexible system—one that can integrate data from systemwide physical, operational and human assets to drive manufacturing, maintenance, inventory tracking, and many other types of activities across the entire manufacturing network," explains Doug Gish, Deloitte Consulting LLP principal and US supply chain leader. "Those who embrace that approach and are willing to make the investment stand to potentially increase market share, efficiency, product quality and customer satisfaction."

Deloitte Consulting LLP (US) is helping a client—a global machinery manufacturer—connect its digital and physical channels by digitizing end-to-end factory operations from the point of manufacture through inspection. In the process, production steps that were not visible in the past are lighting up.

Deloitte's cross-functional team created a "live factory" using internet of things (IoT) technology by attaching sensors to machinery. Movement, location, time spent per station and quality events were tracked and recorded in real time using GPS and RFID sensors. "This ecosystem of business equipment and sensors provided data that helped the team develop apps and dashboards, effectively bringing a 'hidden factory' of dormant data and insights to life," says Andy Daecher, Deloitte Consulting LLP (US) principal and Deloitte Digital IoT practice lead. "This is helping improve product quality, reduce production time, allocate resources more efficiently and decrease their finished-goods inventory."



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New dashboards fed with real-time information show the priority of machines in need of service, as well as the amount of rework required. With this knowledge, employees should spend less time locating machines, the flow of production can be improved, and nonconformance would be easier to manage and track—which can expedite root-cause analysis and corrective action. These improvements alone could improve the client's return on investment 20 percent to 30 percent. Better inventory, scrap, and labor management also should lower costs.

Now that the client sees tangible benefits from integrating IoT with its physical assets, it can explore expanding and incrementally connecting other lines and factories. "Not only would that further improve its analytics capabilities, workflow transparency and overall efficiency," says Doug Bade, principal, Deloitte Services LP (US), "but it also would help improve their interactions with their customers, enabling them to meet and exceed the expectations that digital technology is driving."

### Connecting with patients

The merging of the physical and digital worlds seems to also be helping health care providers, caregivers, pharmaceutical companies, payers and other care team members understand their patients better so they can provide tailored support that delivers healthier outcomes. Deloitte Consulting LLP's (US) ConvergeHEALTH Patient Connect™ platform provides life sciences companies with tools and insights to help build effective relationships between patients and their extended care teams.

"Patient Connect is designed to improve human interaction and enable more-personalized service using a variety of digital channels and an advanced and flexible cloud software platform," explains Chris Zant, principal, Deloitte Consulting LLP (US). "Patients want to be informed and engaged, and pharmaceutical companies want closer connections to their patients. Our platform can do both while hopefully improving the coordination of, and adherence to, care programs and other patient-support initiatives." Data collected by Patient Connect across a wide patient population—information that remains secure and private—also feeds research and development efforts, creating opportunities for innovation and improved outcomes.

In addition to new processes that improve specialty pharmacy referrals, patient intake, document management, data sharing and more, Patient Connect continues to integrate prepackaged solutions from its ecosystem associates. One gives caregivers and patients the ability to sign documents electronically, which can speed up the processes of getting consent, verifying benefits and submitting prescriptions. Another uses powerful telephony and cloud contact center capabilities so that when a patient calls, care team members and customer service agents have all relevant historical information at their fingertips. Patient Connect was also approved to be delivered exclusively through Salesforce AppExchange, making it easier to implement than many competitors' patient-engagement solutions.

"These enhancements have significantly improved the patient experience and streamlined processes for providers," Zant says. "There's less physical paperwork, less hassle and less time wasted—which should lead to less frustration for patients, lower costs for providers and more-personalized care."

### Integrating AI into hospital care

Operational processes within hospitals are also undergoing fundamental change. A suite of solutions introduced by Deloitte Australia is helping drive that change, covering "classic pinch points" from admissions and outpatient scheduling to intensive-care unit utilization, and the discharge process.

One of those solutions is D.Assist, a lean, enhanced patient-to-nurse communication system that augments the existing call-bell system in place in most hospitals and aged-care facilities. "Through the innovative use of leading technology, D.Assist improves the patient experience, releases nursing time to care for patients, and provides a rich source of data for hospital administrators to act on to optimize patient care outcomes," says Nick White, Consulting principal and Robotics and Cognitive Automation team leader for Deloitte Australia. "It also provides nurses and the medical team critical information needed to effectively respond to patients."

D.Assist captures a spoken request for assistance in the patient's room, which is understood by the system and converted to text. The message is then assessed using artificial intelligence services and processed to identify the patient's request and how best to respond.



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In many cases, D.Assist is able to respond to the patient from a database of frequently asked questions, relieving workload from nurses. The solution can even be combined with intelligent room automation to enable smart controls of the patient environment.

"Deloitte is working with a number of hospitals around the world to implement this and a range of complementary solutions across the patient pathway," White says. "By providing these cognitive solutions to the market, we are transforming Deloitte's role in the health care industry globally."

### **Building a digital insurer**

Economical Insurance was founded in 1871 by a group of Canadian citizens who pooled their resources to protect one another. It was a simple concept for a simpler time. Through its Sonnet Insurance subsidiary, Economical—with Deloitte Canada's help—is making insurance uncomplicated again.

"The management team had a vision to build a direct-to-consumer, digital insurance company that could give people an accurate quote if they answered just three questions," says Alice Keung, Economical Insurance chief transformation officer. "That was a stretch goal, but we successfully created a site where customers could easily buy insurance for their cars or homes in five minutes."

The secret to Sonnet's speed is the way Deloitte Canada integrated real-time analytics, a sophisticated IT infrastructure and third-party software to simplify the purchase experience and help Sonnet's customers make informed decisions. "At the outset, we conducted ethnographic research—which shows how people actually behave versus how they say they behave—to build this company from the ground up," says Daniel Shum, Deloitte Canada lead engagement partner for Sonnet Insurance. "Based on what we learned, together, we came up with a customer experience that is simple, easy to understand and gives customers confidence Sonnet will be there for them. This is backed with fast and reliable technology that drastically streamlines the quoting, sales, servicing and renewal processes."

Sonnet is currently the only solution in Canada that allows customers to fully purchase and service their insurance policies directly online.

### **Smart transactions**

In the past few years, blockchain has evolved from a word that often required definition to a common component of client solutions across Deloitte's businesses. One such tool is TradeChain, a system developed by Deloitte Tax LLP (US) that brings consensus, consistency and accuracy to intercompany agreements.

Transactions between different units of multinational companies can be challenging from a compliance standpoint. There also are many administrative lags and manual processes typically needed to implement pricing agreements between related parties. TradeChain is designed to address these issues by using a private blockchain and smart contract-like automation that enables the execution of transfer-pricing agreements.

"Most intercompany agreements are hard to formulate, difficult to regulate and tough to execute because the parties often are working with incomplete information spread across many systems," explains Rob Massey, partner, Deloitte Tax LLP (US). "So, transactions often end up with errors, deadlines get missed and risk increases."

With TradeChain, technology-enabled contracts are triggered by both internal and external business activities, interfacing in real time with people in tax, treasury, legal and accounting. The blockchain validates transactions. Future versions are expected to use cognitive technologies to drive advanced predictive analytics and decision making.

Sam Kapreilian, Deloitte Global Tax & Legal chief technology officer, says, "Soon after TradeChain was introduced and clients began seeing it, it didn't take long to see how its cognitive and advanced analytics technologies can systematically improve quality, decision making and outcomes."



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## The art of the possible

Transforming our capabilities so that clients can revolutionize theirs

### Elevating the audit

History is littered with innovations that withered from neglect because they cost too much or because few understood their practical uses—evidence that few institutional skills are more valuable than being able to grasp the art of the possible.

“Helping clients visualize the benefits of investing in exponential technologies—and then working with them to make those visions reality—drives business progress and advances society,” says Andrew Vaz, Deloitte Global chief innovation officer. “That’s why we also continually advance our own capabilities and reinvent ourselves in the context of what is possible.”

In the audit and assurance world, possibility is fast becoming reality. Substantial portions of public and private company audits—already enhanced by automation and analytics—will be increasingly augmented by cognitive technologies. “Deloitte’s investments in transforming the audit are enriching the experience and relationship between the auditor, clients, capital markets and broader ecosystem—elevating the audit from an obligation to an opportunity,” says Panos Kakoullis, Deloitte Global Audit & Assurance managing principal. “In the process, these investments are elevating audit quality and consistency.”

Deloitte has begun using cognitive technology in audits to review contract terms, leases, electronic documents and more. “The rapid reviews enabled by cognitive technology allow auditors to review and assess larger samples, or even review 100 percent of the contracts,” explains Jon Raphael, partner and chief innovation officer, Deloitte & Touche LLP (US). “The reviews can also incorporate segmentation of documents, such as separating contracts that include escalation clauses from those that do not. We can then add visualization capabilities to easily show, as an example, which documents differ from what is expected.”

Cognitive applications are just part of Deloitte’s next-gen audit technology platform, which will be cloud-based and data-driven. “We have a number of separate tools today—capabilities that already are differentiating us,” says Mike Schmidt, Deloitte Global Audit & Assurance chief technology officer. “Our focus now is on seamlessly integrating all data, tools, analytics, methodologies and project management functionalities into a single platform to perform consistent audits around the globe.”

Schmidt points to Deloitte Connect—a secure, online collaboration site that facilitates two-way dialogue between audit teams and client teams—as just one example of how Deloitte is setting itself apart in the marketplace. “A lot of people are talking about holistic



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strategies and building for the future, but we're actually doing it," he says. "Instead of dipping a toe in the water, we dove in the deep end and are putting innovative solutions in the hands of our professionals around the world." Schmidt adds that Audit & Assurance also is experimenting with Web-based robotic process automation (RPA) tools that expedite preparation and review of standard audit processes and tasks.

Solutions in development include a suite of big-data tools that can create customized audit procedures using predictive analytics and regression analysis. These tools enable auditors to deliver more value, enhance risk identification, and identify patterns and trends that can lead to accounting, operational and control insights. Deloitte also has introduced collaboration tools that provide transparency across multiple stakeholders in processes used for confirming balances and counting inventories.

In addition, Deloitte is using new diagnostics capabilities to monitor live audit engagements. "We can create reports based on more than 160,000 live audit engagements that give us new, strategic perspectives into the Audit & Assurance practice and are allowing us to transform the way audit quality is monitored," explains Cal Buss, Deloitte Global Audit & Assurance quality leader. "These capabilities provide an unprecedented level of insight and transparency for our leaders so they can better address what is meaningful for our stakeholders."

### Launching an internal startup

An example of Deloitte's dedication to transformational innovation is Avenir, a first-of-its-kind startup venture established to radically change the financial audit space. "Deloitte brought together entrepreneurs with varied backgrounds and challenged them to disrupt the audit business," explains Chris Thatcher, Deloitte Global Audit & Assurance innovation leader. "They were given as much leeway as possible while providing access to Deloitte's capabilities."

Avenir's autonomous structure enables it to quickly develop and test products based on real-time market feedback. This flexible solution applies the latest technologies—including cloud-based storage, machine learning and artificial intelligence—to streamline and improve the quality of the workflow between auditors and their clients.

"The Avenir business model is very different because—while the technology platform is specifically designed to address the unmet needs of smaller engagements—it is focused on building tools that can be used by all accounting firms, big and small, and not just for internal Deloitte use," explains Avenir CEO Pete Myers. "As the tools are used more and data flowing through the platform increases, our underlying machine learning technology kicks in and enables the platform to become smarter over time. By opening the platform so broadly, we can strengthen the entire industry."

Avenir will soon emerge from beta testing conducted with several small audit firms in Canada. "We selected firms who can nimbly test new technologies to provide feedback that drives rapid development," Myers says. "This approach allows Avenir to work collaboratively with auditors on tools that automate much of the audit, which will free them up to build stronger relationships with their clients and provide deeper business insights."

### Investing in exponentials

Deloitte is also aggressively integrating transformational technologies and data analytics into its nonaudit solutions and services.

Our Financial Advisory business, for example, is adopting multiple platforms to support clients with new levels of insight and experience to help them solve complex business problems. Among them:

- A sophisticated forensic digital platform that builds on Deloitte's pioneering use of analytics and technology to help clients identify inefficiencies, anomalies and issues in their systems—and provide proactive solutions to address them. The platform enhances our professionals' ability to quickly and effectively respond to a critical financial crime event, give a deeper and more complete understanding of the issues leading to that event, and provide strategies to prevent future problems.



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- ValueD and iDeal are analytics platforms that allow Deloitte's Mergers and Acquisitions practitioners in many countries to quickly understand their clients' complex situations. In addition to visualizing data in real time, these platforms provide advanced insights on multiple levels, including industry benchmarks.

Deloitte Cyber Intelligence Centers around the world provide fully customizable solutions to help organizations proactively detect, respond and recover from security events—making them more secure, vigilant and resilient. These Cyber Intelligence Centers operate around the clock, providing advanced security event monitoring, threat analytics, cyber threat management and incident response to help organizations strengthen their cybersecurity posture. For a closer look into Deloitte Cyber Intelligence Centers, during FY2017, Global Risk Advisory has launched the use of virtual reality "tours" to provide clients with an immersive experience and a behind-the-scenes view of Cyber Intelligence Centers in action.

Tax & Legal expanded its ecosystem in FY2017 through six alliances with automation, cognitive and blockchain companies. Additionally, our Business Process Solutions (BPS) and Tax practices have formed five strategic agreements with robotic process automation (RPA) vendors and created an RPA center of excellence. Deloitte Tax & Legal practices also enhanced client connectivity by introducing innovative technology-enabled solutions across all service areas through a new digital relationship platform.

Among the many tech-enabled initiatives that will impact Deloitte Consulting practices around the globe is the Center for the Long View, which specializes in long-range scenario planning. The Monitor Deloitte unit, located in Germany, has developed artificial intelligence and online collaboration tools that dramatically increase the quality of scenarios while reducing project costs. It ultimately could serve as a prototype for the comprehensive digitalization of Deloitte's consultancy services around the world.





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- [Blockchain and the future of financial infrastructure](#)
- [Driving real business outcomes with cognitive technology solutions](#)
- [Robotic process automation](#)
- [How a new generation of sophisticated robots is changing business](#)
- [The rise of cognitive agents](#)
- [Will cognitive automation spell the end of outsourcing?](#)
- [How chatbots can answer questions for both customers and employees](#)
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- [A leader in North America in SAP Application Services by Gartner](#)
- [A leader in EMEA in SAP Application Services by Gartner](#)
- [A global leader in CRM and Customer Experience Services for 5th year by Gartner](#)
- [Global leader in eDiscovery Services by IDC](#)
- [Worldwide leader in IoT Consulting Systems Integration Services by IDC](#)
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## Outlook from leadership

Increasing transparency, disruption, complexity and the exponential speed of change created unprecedented challenges and opportunities for organizations around the world in 2017. Deloitte's ability to integrate deep industry insights and experience with a broad range of professional disciplines has allowed it to help its clients get to the future faster.

### **Growth across all businesses, industries and regions**

Deloitte Global reported aggregate member firm revenue of US\$38.8 billion for the fiscal year ended 31 May 2017 (FY2017). With a continued focus on five priorities—client, business, geographic, talent and network leadership—Deloitte achieved growth in each of its five business areas—Audit & Assurance, Consulting, Financial Advisory, Risk Advisory, and Tax & Legal.

### **Building tomorrow's workforce today**

In FY2017, Deloitte increased its workforce in all geographic regions and businesses, adding nearly 70,000 new professionals, an increase of 8 percent from FY2016. Also in FY2017, Deloitte advanced a number of initiatives designed to support the career development and personal wellbeing of its professionals. These include opening the doors to its fifth and sixth Deloitte University (DU) facilities, expanding family leave policies, and continuing to place a strong focus on creating and supporting a culture of inclusion.

### **A WorldClass solution for social impact**

Deloitte recognizes the need to help expand access to career-building opportunities for communities and individuals left behind in the transformation to Industry 4.0. "WorldClass" is a new global effort designed to apply Deloitte's skills, experience, scale and commitment to preparing and empowering people to take advantage of the new world economy through access to education and training. Deloitte set an ambitious goal to prepare 50 million futures for a world of opportunity by 2030. In FY2017, Deloitte's overall contributions toward societal and community causes are estimated to be more than US\$200M. Deloitte also remains committed to sustainability and support of the U.N. Global Compact.



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## Leadership and governance

As a global network comprising Deloitte Touche Tohmatsu Limited (Deloitte Global), Deloitte member firms, and each of their related entities in more than 150 countries and territories, Deloitte has governance and management structures in place at both the global and member firm levels.

### The Deloitte Global Executive

The Deloitte Global Executive, composed of 25 senior leaders from Deloitte Global and select member firms across the global network, is responsible for embedding Deloitte's Purpose and advancing its aspiration and strategic priorities. The Executive, which meets in person eight times during the year, sets policies and champions initiatives that help the organization make an impact that matters for member firm clients, Deloitte professionals, communities and other stakeholders.

Deloitte Global Chief Executive Officer Punit Renjen, who began his four-year term on 1 June 2015, leads and manages this governing body. Renjen appoints the members of the Executive, subject to approval by the Governance Committee of the Deloitte Global Board of Directors.

### The Deloitte Global Operating Committee

The Operating Committee, composed of leaders from Deloitte Global and certain member firms aligned to the businesses, regions and other key areas, provides a vital link between strategy and execution that helps Deloitte perform effectively and efficiently.

The Operating Committee is headed by Deloitte Global Chief Operating Officer (COO) Frank Friedman. Its members include, from Deloitte Global, five global business operations leaders, five executive member firm COO representatives, two senior advisors, one regional leader, and leaders from Clients & Industries, Finance, Technology, Talent, Strategy, Legal and Risk.

### The Deloitte Global Board of Directors

The Board of Directors is Deloitte Global's highest governing body. The Board and its 31 members (as of 1 June 2017) address Deloitte Global's most important governance issues, including global strategies, major transactions and the election of the CEO. Among its committees is the standing Governance Committee, which exercises periodic oversight in respect of the management of Deloitte Global.

Chairman of the Board David Cruickshank began his four-year term of office on 1 June 2015.

Board members are appointed by individual member firms that are themselves selected based on size, the number of significant clients they serve and other factors. The Board also includes three regional seats, ensuring smaller member firms are represented.

Board composition is multicultural with a proportionate representation of member firms. Gender is considered by member firms as they appoint individuals to these positions. There are currently five women Board members (as of 1 June 2017).

### Member firm leadership

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

- A formal management structure, including an elected chief executive officer or managing partner who is responsible for managing the member firm and working with the member firm's leaders to align its functional and client strategies with Deloitte Global; and
- A governing body, such as a board of directors, to facilitate sound governance of the individual practice.



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## Network structure

Deloitte is made up of firms that are members of Deloitte Touche Tohmatsu Limited (Deloitte Global), a UK private company limited by guarantee. This structure allows Deloitte to be an industry leader at all levels—locally, nationally and globally.

Individual member firms have access to the skills and knowledge of other member firms, the ability to consult within the Deloitte network, and the benefit of the network's market recognition and reputation. Deloitte Global itself does not provide services to clients.

### Member firm structure

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

The member firm structure reflects the fact that the member firms are not subsidiaries or branch offices of a global parent, but instead are separate and distinct legal entities.

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

Deloitte continues to reinforce this differentiating structure and achieve economies of scale with centers of excellence, global delivery centers, and other network approaches that are designed to deliver a consistent level of excellence around the world.

### Global cooperation

As members of the Deloitte network, member firms benefit from shared activities, investments and resources that enhance their individual abilities to provide core services to key local and global clients and development opportunities to their people. They also are able to leverage Deloitte's brand, eminence and intellectual property.

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

- Conducting themselves in a manner that sustains the reputation of the Deloitte network;
- Aligning national plans, strategies and operations with those of Deloitte Global, as appropriate, in consultation with Deloitte Global's executive management;
- Adhering to Deloitte Global's requirements regarding professional standards, shared values, methodologies, and systems of quality control and risk; and
- Advising Deloitte Global of proposed joint ventures, joint practices, mergers, and other cooperation arrangements and combinations of any type with other member firms.



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**Locations**

Deloitte serves clients in more than 150 countries and territories. Countries and territories with at least one Deloitte office in operation during FY2017 are listed below. Countries and territories are broken out for convenience in identifying locations and are not intended as statements on political sovereignty. Please visit [www.deloitte.com/GlobalOfficeDirectory](http://www.deloitte.com/GlobalOfficeDirectory) and contact an office near you to inquire about Deloitte capabilities to provide services in locations not listed below.





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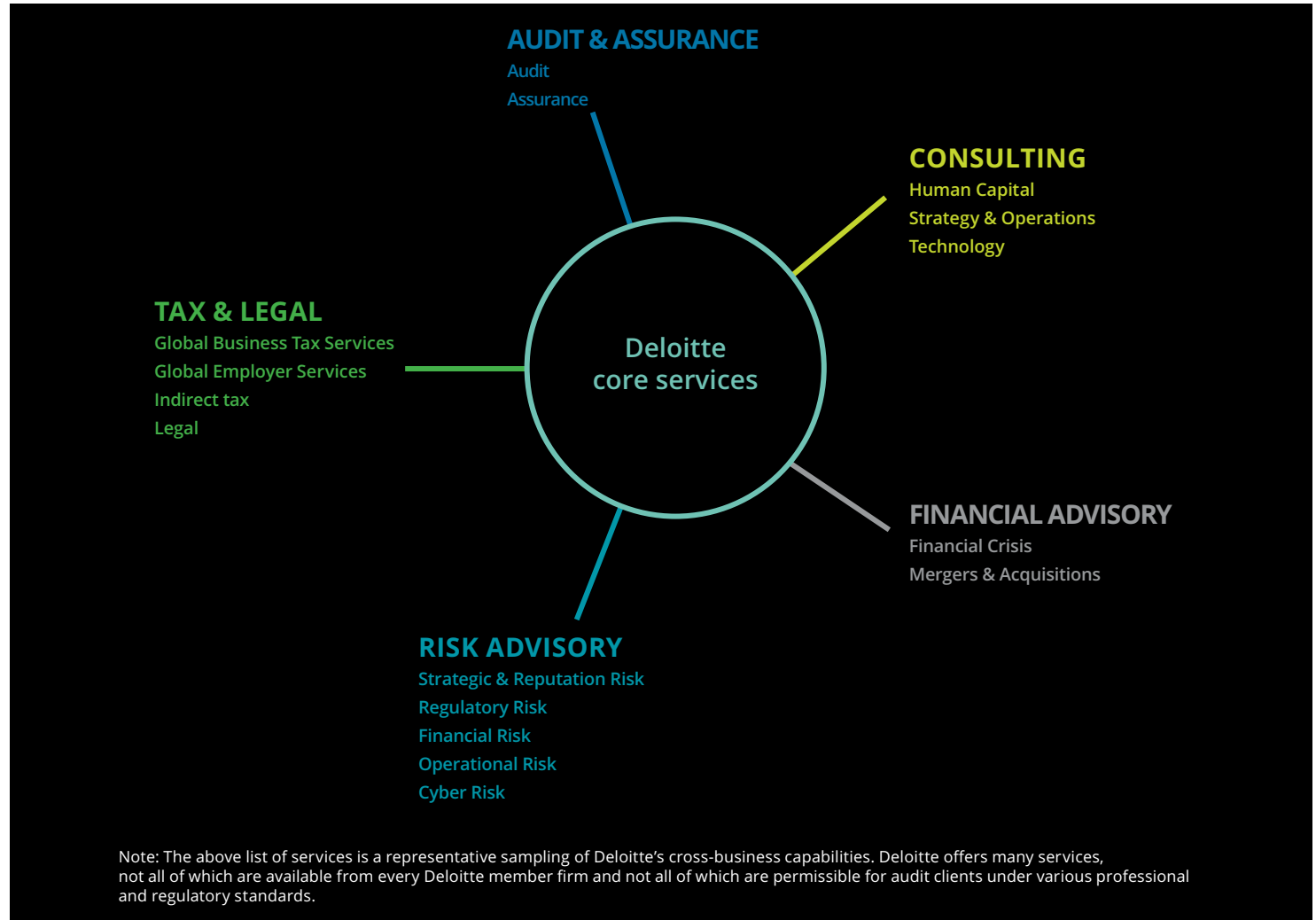
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## Deloitte core services

Deloitte’s approximately 264,000 people are dedicated to providing confidence in markets and finding innovative solutions that contribute to a stronger economy and healthier society. Enabled by a global network of strong businesses and valued services—built on decades of insight and experience—they solve tough problems, build trust and help clients achieve transformative results.





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## Ethics

Our reputation defines us in the marketplace. That's why Deloitte ethics teams continue to proactively strengthen our culture of integrity, stressing quality and consistency across the network. We commit to conducting business with honesty, distinctive quality and high levels of professional behavior.

Deloitte's [Global Principles of Business Conduct](#) ("Global Code") outlines our ethical commitments as a network and expectations for our approximately 264,000 people, giving us a strong, principled foundation. The Deloitte Integrity Imperative, launched in May 2017, amplifies the Global Code across the network by empowering leaders to set a strong tone from the top; encouraging people to speak up when they witness anything that runs counter to our Global Code; and helping Deloitte act quickly and appropriately in the face of misconduct.

The Deloitte Global Ethics team and member firm Ethics officers continue to work closely with senior Deloitte leaders to build and enhance the foundations of the network's ethics program, which is composed of the following elements:

- The Global Code;
- Deloitte Global ethics policy that sets out the requirements for member firms' own ethics programs;
- Deloitte ethics training programs, including online courses, classroom programs and facilitator-led interactive case discussions (ethics training is required for all new hires upon joining Deloitte and for all Deloitte people every two years);
- Channels for reporting ethics issues and concerns that emphasize confidentiality and nonretaliation;
- Support activities—including communications, workshops and webinars—to facilitate best practice sharing among Deloitte ethics people;
- Provision of an ethics survey for Deloitte people, a self-assessment questionnaire and other tools (such as focus group guidance) to measure the effectiveness of ethics programs across the Deloitte network;
- An annual confirmation from member firms to Deloitte Global that all of their people have read, understood and are in compliance with the Global Code; and
- A practice-review program to measure compliance with Deloitte Global ethics policy and continuous improvement in ethics programs over time.

### Anti-corruption commitment

We actively support multiple efforts to eradicate corruption throughout the world. Deloitte Global was an early signatory to the United Nations Global Compact (UNGC) and to the World Economic Forum's Partnering Against Corruption Initiative (PACI).

The Deloitte Global Anti-Corruption team and member firm Anti-Corruption leaders work closely with senior Deloitte leaders to build and enhance a globally consistent anti-corruption program across the Deloitte network, which includes the following elements:

- A global anti-corruption policy that includes requirements for member firms' own anti-corruption programs and addresses matters such as bribery, facilitation payments, political and charitable contributions, and gifts and entertainment;
- Anti-corruption training that includes applicable policies, corruption red flags relevant to Deloitte and case scenarios;
- Support activities—including communications, workshops and webinars—to facilitate best practice sharing among Deloitte Anti-Corruption people;
- Annual member firm anti-corruption self-assessment survey and other guidance and tools (such as guidance on anti-corruption testing and monitoring) to measure the effectiveness of anti-corruption programs across the Deloitte network;





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- A globally consistent process to perform anti-corruption due diligence on subcontractors, marketplace alliances, vendors and suppliers that are considered for business relationships;
- A globally consistent methodology and process for Deloitte member firms to perform corruption risk assessments;
- An annual confirmation from member firms to Deloitte Global that all of their people acknowledge that they have read, understood and agree to comply with the local anti-corruption policy and are not in violation of this policy; and
- A review program to assess compliance with Deloitte Global anti-corruption policies and encourage continuous improvement in member firm anti-corruption programs.

### Strengthening our resolve

Deloitte's Integrity Imperative enhances Deloitte Global's existing ethics program by reinforcing many business and governance processes and introducing activities that further promote consistency and diligence across the network. These include:

- Defining expectations for member firms' boards of directors in governing our ethical culture, ethical risks and ethics program agenda;
- Developing an "Ethics Officer Playbook" to set clear expectations and reinforce the strategic role and responsibilities of member firm Ethics officers;
- Launching engaging communications that drive tone at the top and bring the Global Code to life; and
- Implementing a third-party ethics help line and global nonretaliation policy that will build trust in the reporting process.

### Multilateral initiatives

Deloitte plays a role in various external efforts to promote ethical conduct in the business world. These include:

- **World Economic Forum's PACI.** David Cruickshank, Deloitte Global Chairman, is the co-chair of the PACI Vanguard Anti-Corruption CEO leadership program.
- **Business and Industry Advisory Committee (BIAC) to the Organization for Economic Corporation and Development.** Gerrie Lenting, partner, Deloitte Northwest Europe, is vice chair of the BIAC task force on anti-bribery and corruption.
- **University of Notre Dame Deloitte Center for Ethical Leadership.** Members of the advisory board include several Deloitte LLP (US) leaders, including Deloitte LLP Chief Ethics & Compliance Officer Glenn Stastny.
- **Ethics Research Center.** Stastny is a member of the board of directors.
- **Center for Professional Responsibility in Business and Society, University of Illinois College of Business.** Stastny is a member of the advisory board.



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## Independence

Independence and quality are essential to Deloitte's objectivity, integrity, impartiality, responsibility to the investing public, and ability to retain and attract clients. Standards for independence are shaped by legislation, regulations, professional requirements and public expectations. Maintaining independence in fact and appearance, therefore, is a matter of compliance with rules and regulations.

### Protecting the public interest

The Deloitte Global Board of Directors has adopted robust independence policies, processes and tools to help Deloitte and its people safeguard their objectivity. All Deloitte people are required to follow the independence policies and procedures, which address professional and regulatory requirements related to the provision of services, business relationships, employment relationships and financial interests.

These independence policies and procedures are designed to help Deloitte people comply with independence standards and regulatory requirements to achieve excellence in service delivery. These policies and procedures are based, for the most part, on the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and the rules of the US Securities and Exchange Commission. When applicable national or regional requirements are more restrictive than the requirements in the Deloitte Global policies, Deloitte member firms must meet those jurisdictions' requirements, as well.

### Maintaining internal compliance

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

Each member firm has a partner responsible for independence quality controls, including monitoring compliance with those controls. On an annual basis, all member firms report to Deloitte Global that they have conducted procedures for determining that their member firm and professionals are in compliance with Deloitte Global's independence policies.

### Leading through complexity and change

Deloitte faces dynamic regulatory environments in which national rulemaking often has broad-reaching global implications. Deloitte Global provides professionals worldwide with information and guidance on independence issues, as well as enabling technologies to help them comply with rapidly changing and increasingly complex requirements. Deloitte Global Independence leaders continually engage external professional bodies and regulators to advance the development of independence requirements around the world.



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## Information security, privacy and confidentiality

No organization is immune to cyberthreats.

During fiscal year 2017, we detected an attack on a single Deloitte cloud-based email platform. In response to this cyber incident, Deloitte initiated its standard and comprehensive incident response process, including mobilizing a team of cybersecurity and confidentiality experts to understand the scope of the incident, the potential impact to clients and other stakeholders, and to determine the appropriate cyber-incident response. We also engaged outside specialists to assure ourselves, clients and other stakeholders that the review was thorough and objective.

Our intensive and thorough review, which is complete, determined no disruption occurred to client businesses, to Deloitte's ability to serve clients, or to consumers.

Deloitte has long followed a global security strategy focused on keeping information and systems secure, constantly watching for potential threats, and immediately responding to actual or potential incidents.

Following the incident, we have continued to focus on these core activities, while also accelerating and enhancing certain strategy elements and our overall security architecture. Additionally, we continue to make significant investments in our cybersecurity capabilities consistent with our deep commitment to protect the information of member firm clients and network stakeholders.

The key facts regarding this incident can be found [here](#).

### Information security

The Deloitte Global Information Security team works with Deloitte professionals around the world to help implement an aggressive information security strategy designed to:

- Create a cohesive, worldwide program with consistent, high-quality security services.
- Extend security tools worldwide for advanced protection of highly distributed data.
- Reduce the risk of data loss through practitioner actions.

### Privacy

The Deloitte Global Privacy team provides guidance to local member firm Privacy officers who each implement programs within their firms to ensure compliance with applicable laws and maintain the confidentiality, integrity and appropriate availability of information. Deloitte Global privacy policies require all firms to comply with and implement common privacy principles across the network.

Deloitte welcomes the EU General Data Protection Regulation (GDPR) and the improved consistency of privacy and security requirements this will bring across the European Union as it relates to the handling of personal data. Deloitte is committed to working with clients to support compliance with privacy requirements as part of the provision of services.

### Confidentiality

The Deloitte Global Confidentiality team works with other Deloitte confidentiality leaders around the world to advance Deloitte's approach to protecting confidential information. Deloitte uses various strategies such as confidentiality standards and controls to help ensure globally consistent protection for confidential information. Deloitte also has developed an innovative technology solution to make data protection simpler and more efficient. Additionally, the team also develops data security communications and training designed to help all Deloitte professionals understand the critical role they play in protecting all data.



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## Risk management

Because the risk landscape remains volatile, uncertain and complex—with increasing demands from clients and greater scrutiny from regulators, legislators and other governmental authorities—Deloitte continues to focus relentlessly on quality and risk management (QRM), actively monitoring, strengthening and improving its risk procedures, and promoting a culture where professionals learn from others' experiences.

Many risks, if they materialized, could impact our ability to achieve our business strategies—including the protection of our reputation and brand, and global delivery of consistent, high-quality services. That's why Deloitte Global's vigilant enterprise risk framework is designed to proactively identify, manage, monitor and respond to risks. The framework includes processes to analyze the internal and external environment for developments that could impact Deloitte's risk exposure, and identify and respond to emerging trends that could affect the Deloitte network's resiliency to those risks.

### Globally consistent and scalable policies and processes

The Deloitte Global Policies Manual (DPM) is the central repository for policies applicable to Deloitte. It provides the basis for Deloitte member firms to establish and implement globally consistent and rigorous QRM processes, and sets forth policies for which compliance is mandatory. Deloitte member firms are required to develop, implement and document a framework that is integrated into their key decision-making processes.

The DPM also includes a specific policy requirement for each member firm to appoint a senior and experienced "reputation and risk leader" (RRL) who is responsible for leading his or her member firm's QRM program and structure, with full support from senior risk leaders in each of the member firm's businesses. The RRLs are part of the member firms' executive leadership.

### Practice reviews

Practice reviews serve as an inspection and monitoring mechanism and are a critical component of the Deloitte member firms' system of quality control and risk management. Each member firm is responsible for conducting its own practice reviews under the guidance and oversight of Deloitte Global. Held at least once every three years, these reviews assess whether member firms comply, at a minimum, with DPM policies; if DPM policies are operating effectively in practice; and the quality of work performed and services delivered by member firms.

### Promoting trust, confidence and value

During FY2017, Deloitte Global delivered a number of strategic actions to further enhance our risk intelligent culture and drive continuous improvements in QRM. They included:

- Conducting annual assessment of the top risks facing Deloitte (Deloitte's risk profile) and launching new activities to continue maturing the framework;
- Launching enhanced, globally consistent standards for QRM; and
- Developing and approving a robust and globally consistent crisis management framework.



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## Network challenges and responses

Deloitte's reputation is influenced significantly by our ability to deliver consistently high-quality audits in every market and to every client, and to responsibly remedy instances when applicable standards are not met. During fiscal year 2017, Deloitte made significant efforts to enhance audit quality and address certain inappropriate conduct from past years that were wholly incompatible with Deloitte's culture and our commitment to the highest professional standards.

In December 2016, Deloitte Brazil and the US Public Company Accounting Oversight Board (PCAOB) settled a matter related to audits of two companies and certain inappropriate conduct in the course of a PCAOB inspection and investigation. As soon as Deloitte Brazil became aware of inappropriate conduct, each of the individuals at issue was suspended and subsequently separated from the firm. Deloitte Brazil is implementing a robust remediation plan that addresses the identified issues and strengthens the firm's ability to deliver consistent, high-quality audits that comply with the highest professional standards going forward.

Other matters addressed in fiscal year 2017 in the Deloitte network included matters related to the timely archiving of work papers and certain deficiencies involving independence. Technological enhancements have been put in place throughout the network to protect the integrity of archived working papers, and significant changes and improvements in systems of quality controls related to independence have been made.

In addition to changes implemented at local levels:

- Deloitte Global Audit imperatives have been adopted across the Deloitte network. They include actions and considerations that should be taken on all engagements to help achieve the highest standard of professional excellence.
- Deloitte's Global Center of Excellence for Audit Quality (GCoE), established in FY2016, aims to assist firms in the Deloitte network in creating greater consistency, enhanced audit quality and stronger accountability. The GCoE has engaged in activities to align global policies and guidance, deliver audit quality and regulatory updates, perform practice reviews, provide PCAOB inspection and remediation support, and develop and deliver focused learning.
- An enhanced, comprehensive approach to the monitoring and measurement of audit quality has been developed and adopted by all member firms. The program includes executing a number of interrelated activities which results in a globally consistent level of rigor in the assessment of audit quality and the approach to address and remedy any noted deviations from professional standards.

We remain committed to [working with regulators](#) around the world to ensure Deloitte professionals are operating in accordance with the highest professional standards and delivering the highest-quality service to our clients. We also continue to proactively [strengthen our culture of integrity](#) stressing quality and consistency across the network.



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## Public policy

Deloitte actively participates in policy discussions on some of today's most important socioeconomic challenges, seeking outcomes that benefit society, government and business. Through a coordinated approach, our global public policy program extends Deloitte's influence by connecting with people and organizations who can help make an impact on issues that matter.

Deloitte leaders engage with respected external groups and influencers on issues related to capital markets developments, responsible business practices, economic growth, societal advancement, workforce development and other areas of shared interest. In doing so, we seek to foster dialogue and advance policy outcomes that protect and serve the public interest and shape the environment in which all businesses, including ours, operate.

The perspectives gained by working with clients, community programs, and other groups—including investors, regulators, professional bodies, think tanks and more—inform Deloitte's efforts to create an inclusive, consistent and forward-looking public policy agenda.

Deloitte's public policy efforts focus on three primary themes:

- **Inclusive growth**—engaging economic, social and environmental issues that matter most, because businesses can't succeed if society fails;
- **Future of regulation**—informing a smart approach to rulemaking, regulation and the role of a regulator, while serving the public interest in an era of exponential change; and
- **Future of work**—addressing the changing demands of the workforce of tomorrow, including how, where and when work is done.

Within these themes, several specific areas of focus drive our activities. Some of these issues are audit quality, corporate governance, anti-corruption, cyber/data security, good regulatory practices, international trade, social progress, sustainability, diversity and inclusion, education and skills, and the gig economy.

Deloitte professionals help advance these issues by working with key external organizations. These include:

- Group of 20 (G20) and its outreach group, the Business 20 (B20);
- Organization for Economic Co-operation and Development (OECD);
- United Nations (UN);
- World Trade Organization (WTO);
- Asia-Pacific Economic Cooperation Forum (APEC); and
- German Marshall Fund (GMF).

The Deloitte Global Public Policy group is supported by member firm public policy programs active at both local and regional levels. This approach allows us to coordinate Deloitte's public policy activities and positions across our various geographies and businesses so we can amplify our impact in sharing our voice.



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## Global security

Threats come in many sizes and forms, including geopolitical instability, crime and natural disasters. The Deloitte Global Security Office (GSO) works with member firms worldwide to help keep Deloitte people safe, particularly during times of emergency or when they are called upon by clients to work in higher-risk areas.

A primary GSO focus is increasing Deloitte's resiliency, so working with local Deloitte firms to formulate and implement effective business-continuity programs is a priority. The GSO's regional security managers help enhance Deloitte's security and crisis response capabilities through on-site visits, meetings with country managing partners, and working with the Global Security Council made up of security officers in each member firm. The GSO also has global working groups, as part of the Global Security 2020 strategy, composed of member firm security leaders who improve the consistency of Deloitte's background screening and physical security measures.

### Keeping Deloitte people safe

The GSO team tracks world events on a daily basis for potential impacts on Deloitte's people and offices. Whenever a crisis occurs, the GSO responds swiftly to help member firms account for the safety of their people, provide necessary relief and resume normal business operations as soon as possible.

Health emergencies also can affect Deloitte people while traveling or assigned overseas, so Deloitte Global maintains 24-hour resources, delivered by a leading emergency medical and security provider, to respond in such situations.

### Risk awareness for travelers

On an average day, nearly 25,000 Deloitte people are traveling to serve clients. As part of Deloitte Global's travel security protocols, all Deloitte locations are encouraged to incorporate security into their travel programs and consult with the GSO before undertaking travel to high-risk locations.

When member firm engagement teams need to travel to high-risk locations, assistance provided to engagement teams can range from designing comprehensive security plans that include location-specific security briefings to hotel and transportation recommendations, on-the-ground project logistics, and direct security support, as needed. In doing so, a network of specialized security providers based in many high-risk locations is available to assist.

The GSO tries to make sure all Deloitte people are aware of particular risks before they travel. Deloitte professionals have access to a comprehensive travel security website containing the latest security bulletins, assessments, country risk ratings and other resources.

During FY2017, the GSO team responded to a wide range of crisis events—including terrorist attacks, geopolitical instability, earthquakes and other natural disasters occurring around the world—to account for the safety of Deloitte people. The team also:

- Responded to more than 250 medical-assistance cases, several of which involved serious medical conditions or accidents necessitating emergency air evacuations.
- Provided guidance and security planning support to more than 1,300 member firm engagement teams considering work in potentially troublesome areas of the world.
- Facilitated business continuity training sessions in Germany, South Africa and Hong Kong designed to increase member firms' resiliency.
- Provided security design and implementation support for new global delivery centers.

A rollout of a new worldwide emergency communications system also began during the year. The system aims to improve member firms' capability to communicate and confirm the safety of their practitioners during crises.



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## Sustainability

At Deloitte, our commitment to sustainability encompasses a broad scope of endeavors. It involves helping member firm clients manage their operations and supply chains in ways that address environmental and social impacts and reduce risks. Likewise, it involves responsibly managing operations and championing ecological initiatives across the Deloitte network of approximately 264,000 people. For example, we are working to create smart, green workplaces of the future.

In short, it means improving our environmental performance, considering stakeholder views and reporting transparently on our own activities.

Among the many examples of sustainability initiatives taken by Deloitte firms in FY2017:

- Deloitte Australia purchased goods from approved ethical, indigenous and fair-trade certified suppliers, where possible, and required relevant suppliers to comply with environmental standards put forth by the International Organization for Standardization (ISO)
- Deloitte Belgium opened its new head office, the Gateway, which received an Excellent label under the Building Research Establishment Environmental Assessment Method (BREEAM).
- Deloitte Brazil offset 100 percent of its greenhouse emissions with social carbon credits that promote emissions reductions and stimulate businesses that promote those reductions.
- Deloitte Canada's new office space in Montreal achieved Leadership in Energy and Environmental Design (LEED) Platinum certification.
- Deloitte China colleagues contributed to a green lifestyle by donating reusable items to those in need for its 10th annual Green Giving Day donation campaign.
- Deloitte Finland provided access to Deloitte bicycles for all its people.
- Deloitte Germany obtained ISO 50001 certifications in energy management.
- Deloitte Ireland achieved ISO 14001 recertification and launched initiatives related to gardening, green teams and wellness challenges aimed at increasing cycling, running and walking.
- Deloitte Luxembourg's people test drove electric vehicles and discovered more sustainable options for commuting on Green Mobility Day.
- Deloitte Mexico's new D.Líderes learning center achieved LEED Gold certification.
- Deloitte New Zealand's new Wellington office met a Green Star 5 rating.
- Deloitte Africa reduced business travel by 9 percent.
- Deloitte Spain published an independently assured Global Reporting Initiative (GRI) report.
- Deloitte UK won the "Most Environmentally Friendly Firm" professional services award from the Managing Partner's Forum.
- Deloitte LLP (US) made available car-sharing memberships to its people and switched to 100-percent recycled paper for business cards and letterhead.





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The network's most significant improvements in environmental performance resulted from managing greenhouse gas emissions from travel and buildings.

- Deloitte achieved a 3 percent decrease from FY2016 absolute greenhouse gas emissions despite an 8 percent rise in overall headcount.
- Deloitte's carbon efficiency continues to improve—carbon intensity per full-time equivalent dropped 11 percent globally and carbon intensity per dollar of revenue dropped 9 percent from FY2016.
- Emissions from buildings dropped 2 percent across the network from FY2016 and offices bought 44 percent more renewable energy.

## ENVIRONMENTAL SUSTAINABILITY

### GREENHOUSE GAS INTENSITY

FY2017  
3.2 metric tons CO<sub>2</sub>e/FTE

FY2016  
3.6\* metric tons CO<sub>2</sub>e/FTE

FY2015  
3.8\* metric tons CO<sub>2</sub>e/FTE

Greenhouse gas intensity per full time equivalent, excluding offsets



### SOURCES OF EMISSIONS

**77%**  
(651,119 metric tons)  
Business travel

**23%**  
(196,174 metric tons)  
Facilities

Note: Global figures are aggregated across the global Deloitte network.

\* FY2015 and 2016 recalculated to allow for comparability



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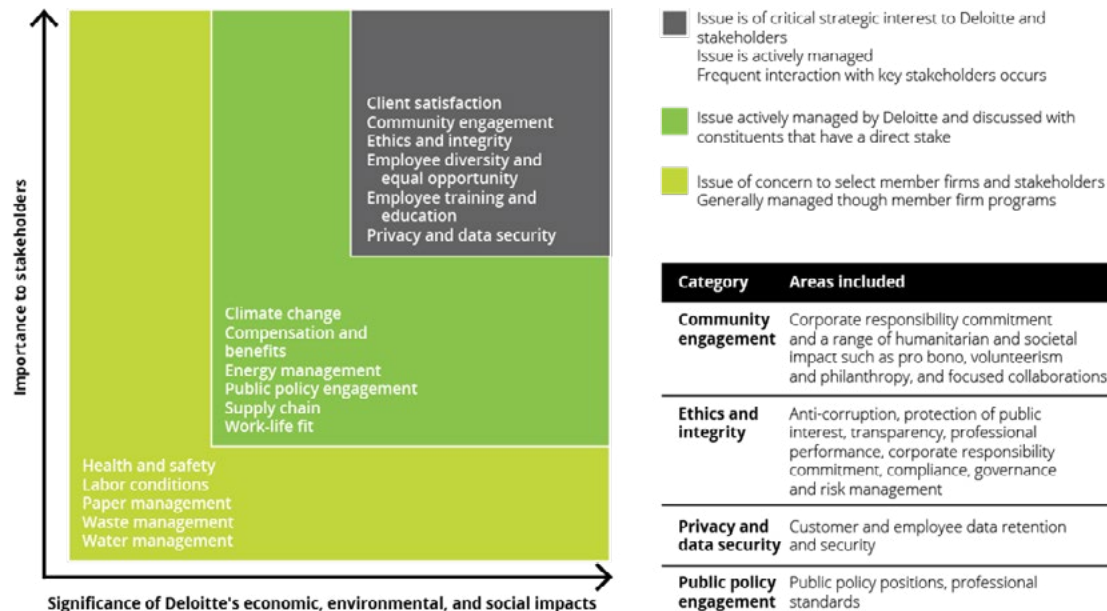
## Reporting process and materiality

At the root of reporting is understanding what is relevant to the reader. Deloitte’s annual reporting process is grounded in addressing the interests and concerns of our stakeholders. Deloitte identifies key stakeholders as those who:

- Help influence Deloitte’s success;
- Are highly affected by what Deloitte does;
- Affect the markets, regulations and industries in which Deloitte operates; or
- Affect the supply of resources that member firms need to serve our clients, talent and society.

As part of our FY2017 reporting process, Deloitte Global engaged with stakeholders to understand what matters they viewed as material. The FY2017 analysis built on stakeholder engagement conducted in previous years, as well. Please see the [“Basis of reporting”](#) section for additional details on the materiality assessment process. In the context of this report, material topics are those that reflect Deloitte’s significant economic, environmental and social impacts, or substantively influence the assessments and decisions of stakeholders. Topics were clas-sified into three categories according to their relative rankings on a materiality matrix.

Topics can be material either within the boundaries of Deloitte, outside of Deloitte, or both. They also can be geographically bound. Except as noted below, all topics shown in the matrix are material to Deloitte Global, the member firm network, or both. Client satisfaction is clearly a topic of importance to clients. Other topics material to regulators, suppliers and member firm clients include privacy and data security, ethics and integrity, supply chain management, and labor conditions. Several issues are also material to society at large, such as community engagement, public policy engagement and greenhouse gas emissions. Water is predominantly material outside of Deloitte (water used by suppliers in producing products or services Deloitte consumes) and is primarily material to society in geographic locations with water scarcity issues.





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## Performance metrics

All metrics shown below reflect aggregate performance across the Deloitte network except where otherwise noted.

REVENUE	FY2017	FY2016	FY2015
<b>Revenue</b>			
US\$ Billion			
Revenue	38.8	36.8	35.2
<b>Revenue growth</b>			
Percentage growth in US Dollars/Local currency			
Revenue growth	5.5%/7.1%	4.4%/9.5%	2.9%/7.6%
<b>By business area</b>			
Audit & Assurance	9.4	9.4	9.8
Consulting	14.3	13.1	12.2
Financial Advisory	3.4	3.3	3.1
Risk Advisory	4.5	4.1	3.5
Tax & Legal (1)	7.3	6.9	6.7
<b>By region</b>			
Americas	20.4	19.3	18.3
Europe/Middle East/Africa	12.5	12.3	11.9
Asia Pacific	5.8	5.2	5.0
<b>By industry</b>			
Consumer and Industrial Products	12.2	11.3	11.0
Energy & Resources	2.7	2.8	3.1
Financial Services	10.7	10.3	9.5
Life Sciences & Health Care	3.7	3.5	3.2
Public Sector	5.1	4.8	4.4
Technology, Media & Telecommunications	4.5	4.1	3.9



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TALENT	FY2017	FY2016	FY2015
Workforce	263,924	244,445	225,351
<b>By level</b>			
Partners and principals (2)	11,378	11,122	10,601
Professional staff	209,234	193,199	176,935
Administrative staff	43,311	40,124	37,815
<b>By region</b>			
Americas	115,387	107,942	99,398
Europe/Middle East/Africa	93,408	86,574	79,925
Asia Pacific	55,129	49,929	46,028
<b>Talent by gender</b>			
<b>By region and gender—male</b>			
Overall	147,256	135,577	125,666
Americas	65,427	61,076	56,555
Europe/Middle East/Africa	51,849	47,479	44,020
Asia Pacific	29,980	27,022	25,092
<b>By region and gender—female</b>			
Overall	116,668	108,868	99,685
Americas	49,960	46,866	42,843
Europe/Middle East/Africa	41,559	39,095	35,905
Asia Pacific	25,149	22,907	20,936
<b>Percentages of women</b>			
Overall	44%	45%	44%
Among partners, principals, and directors (2) (3)	22%	22%	21%
Among managers (3)	35%	35%	35%
Among new hires	45%	46%	45%



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TALENT (continued)	FY2017	FY2016	FY2015
Among new partners, principals, and director admissions (2) (3)	26%	24%	25%
<b>Percentages of women in leadership and governance bodies</b>			
On Deloitte Global's Board of Directors	16%	16%	9%
On Deloitte Global's Executive Committee	22%	22%	13%
<b>Turnover</b>			
Turnover rate	20%	21%	21%
<b>Rate by region</b>			
Americas	18%	18%	19%
Europe/Middle East/Africa	20%	23%	21%
Asia Pacific	23%	23%	25%
<b>Rate by gender</b>			
Male	19%	20%	20%
Female	20%	21%	22%
<b>New hires</b>			
Total new hires	69,878	71,752	62,000
Total new hire rate (5)	26%	29%	28%
<b>By region</b>			
Americas new hires	27,323	28,142	25,514
Americas new hire rate (5)	24%	26%	26%
Europe/Middle East/Africa new hires	25,328	28,382	22,770
Europe/Middle East/Africa new hire rate (5)	27%	33%	28%
Asia Pacific new hires	17,227	15,228	13,716
Asia Pacific new hire rate (5)	31%	30%	30%



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TALENT (continued)	FY2017	FY2016	FY2015
<b>By level</b>			
New partners and principals (2)	350	395	337
New managers	6,840	7,452	6,263
New staff	54,671	55,302	47,985
New administrative staff	8,017	8,603	7,415
<b>LEARNING</b>			
Hours of training per full-time Deloitte employee (6)	49	51	50
<b>RECRUITING</b>			
Total number of RMS (Recruitment and Mobility System) applications	2,217,000	2,100,000	1,900,000
Average number of applicants per open position	51	53	49
Number of internships	17,000	19,000	16,000
<b>SOCIETAL IMPACT</b>			
Percentage of workforce covered by reported data. Extrapolations have not been made.	99%	98%	97%
<b>Monetary value of community investments</b>	<b>US\$ million</b>		
Community investments	204.1	230.5	212.7
<b>By source</b>			
Total donations	70.9	75.9	77.6
Foundation donations (monetary and in-kind)	44.9	48.3	47.5
Donations by Deloitte people (to member firm-supported organizations and fundraisers)	26.0	27.6	30.2



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<b>SOCIETAL IMPACT</b>	<b>FY2017</b>	<b>FY2016</b>	<b>FY2015</b>
Costs for managing community investment programs	13.1	12.9	11.9
Total value of volunteer and pro bono work by Deloitte people	120.1	141.7	123.3
Member firm pro bono work	44.4	64.7	48.4
Skills-based volunteering	42.0	39.0	45.2
Traditional volunteering	33.7	38.0	29.7
<b>By contribution area</b>			
Contributions toward education and skills-building organizations	35%	31%	24%
Value of pro bono and skills-based volunteering as percentage of value of all volunteering and pro bono work	72%	73%	76%
<b>Hours of community investments</b>	<b>Thousand hours</b>		
Total hours of volunteer and pro bono work by Deloitte people	1,219	1,325	1,168
Member firm pro bono work	338	440	343
Skills-based volunteering	466	483	496
Traditional volunteering	415	403	328
<b>ENVIRONMENTAL SUSTAINABILITY</b>	<b>FY2017</b>	<b>FY2016</b>	<b>FY2015</b>
Percentage of workforce covered by reported data. Metrics are extrapolated to cover entire workforce.	95%	95%	88%
<b>Greenhouse gas emissions</b>	<b>Metric tonnes CO<sub>2</sub>e</b>		
Greenhouse gas emissions including offsets (7) (8)	840,866	874,199	843,966



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ENVIRONMENTAL SUSTAINABILITY	FY2017	FY2016	FY2015
Greenhouse gas emissions excluding offsets (7) (8)	847,693	881,412	845,902
<b>By source</b>	<b>Metric tonnes CO<sub>2</sub>e</b>		
Buildings: electricity	184,043	190,703	216,033
Buildings: other sources	12,531	10,672	13,576
Business travel: air travel (7) (8)	395,557	415,424	366,638
Business travel: other sources (9)	255,562	264,614	240,682
Offset credits	(6,827)	(7,213)	(1,936)
<b>By GHG Protocol scope</b>	<b>Metric tonnes CO<sub>2</sub>e</b>		
Scope 1: Direct greenhouse gas emissions	51,033	50,915	52,947
Scope 2: Electricity indirect greenhouse gas emissions	184,043	190,703	216,033
Scope 3: Other indirect greenhouse gas emissions (7) (8)	612,617	639,794	576,922
<b>Intensity measures</b>	<b>Metric tonnes CO<sub>2</sub>e</b>		
Greenhouse gas emissions per full-time equivalent (metric tonnes CO <sub>2</sub> e/FTE) excluding offsets (7) (8)	3.2	3.6	3.8
Greenhouse gas emissions per dollar of revenue (kg CO <sub>2</sub> e/\$000 USD) excluding offsets (7) (8)	21.8	24.0	24.0
<b>Energy usage</b>	<b>Gigawatt hour (GWh)</b>		
GWh of purchased electricity in Deloitte facilities	416	418	419
<b>Direct energy consumption by primary energy source</b>	<b>Terajoule (TJ)</b>		
TJ of natural gas	203	188	227
TJ of gasoline	204	254	270





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TJ of diesel fuel	413	383	379
Indirect energy consumption by primary source	Terajoule (TJ)		
TJ of electricity	1,497	1,505	1,509
TJ of purchased renewable energy	171	118	n/a
Material usage	Metric tonnes		
Paper usage	4,508	4,417	4,950
Percent of recycled input materials used based on estimate of recycled content paper	21%	25%	26%

n/a: not available

Note: because of rounding, numbers may not tally with the total.

A detailed description of this report's boundaries and the performance measurement methods used is available in the Basis of Reporting section.

(1) "Deloitte Legal" means the legal practices of Deloitte Touche Tohmatsu Limited member firms or their affiliates that provide legal services. For legal and regulatory reasons, not all member firms provide legal services.

(2) "Partners" refers to Deloitte member firm partners only.

(3) Client service personnel only.

(4) Includes new hires and promotees.

(5) Per the Global Reporting Initiative Indicator Protocol, the rate is calculated using the total Deloitte people at the end of the reporting period.

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

(7) FY2015 values recalculated to allow comparability. Recalculation was done due to a change in the emission factors chosen for air travel. See [Basis of reporting](#) for details.

(8) FY2016 values recalculated to allow comparability. Recalculation was done due to a change in the emission factors chosen for air travel. See [Basis of reporting](#) for details.

(9) Includes a limited amount of emissions from employee commuting.



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## Basis of reporting

This document provides additional details about the scope and calculation methods used in the Deloitte 2017 Global Impact Report (the "Global Report"), available at [www.deloitte.com/GlobalReport](http://www.deloitte.com/GlobalReport). It should be read in conjunction with the Global Report and all definitions used therein unless otherwise stated also apply to this document.

### Defining Global Report content

The Deloitte Touche Tohmatsu Limited (Deloitte Global) Corporate Responsibility Policy points to defining principles for establishing member firm policies. These defining principles include environmentally sustainable operations and a commitment to local communities and the wider society. Deloitte people engage continuously with key stakeholders, both internal and external, as part of routine business. Along with this ongoing engagement, in FY2017, Deloitte Global commissioned a formal stakeholder engagement process and materiality assessment to assist with identifying key areas of impact upon which to focus the Global Report content.

The materiality assessment process was grounded in the Global Reporting Initiative (GRI) principles of materiality and stakeholder inclusiveness. The strength of the materiality assessment methodology utilized revolves around the design and implementation of a systematic and disciplined approach to stakeholder engagement, as well as topic prioritization. The first step in the process was to investigate the expectations for corporate responsibility and sustainability for Deloitte by analyzing supplier questionnaires, benchmarking reports of peers and sustainability award winners, examining sustainability guidelines and researching publications of internationally recognized nongovernmental organizations (NGOs). Using this process narrowed a large universe of issues down to a list of potential relevant topics. To gather further stakeholder insight into material topics, Deloitte Global identified a specific list of stakeholders and identified engagement methods designed to maximize feedback from each group. Deloitte Global conducted interviews with external stakeholders including strategic member firm clients, academic institutions and internationally recognized NGOs. The direct feedback from interviews helped identify emerging issues and prioritize each group's concerns. Internally, we conversed with Deloitte Global leaders and member firm leaders in client-service roles. The annual [Deloitte Millennial Survey](#) provided insight into the interests of current and future talent. Involvement by Deloitte Global people in external bodies working on standards development also served as a source for industry perspectives. Systems and processes in place within Deloitte were also considered as they often reflect a response to stakeholder concerns (see the [Stakeholder engagement summary](#) for specific examples). Finally, a systematic weighting methodology was applied to the feedback and research to prioritize the list of potential relevant topics. Parameters used in the weighting methodology included the prevalence of an issue across multiple sources, the identification and frequency of mention of specific issues by individuals interviewed and the consideration of specific systems or processes put into place by Deloitte as a result of direct stakeholder feedback. The topics were prioritized across a materiality matrix comparing Deloitte's topics with significant economic, environmental and social impacts against topics of importance to stakeholders. Financial performance was removed from the FY2017 matrix because it is an implied concern for any organization.

The Global Report uses the GRI Standard in defining report content. The FY2017 Global Report has been prepared in accordance with the GRI standards: Core option.

### Scope and methods for performance measurements

Deloitte Global adhered to widely accepted standards in developing the Global Report. These standards define a systematic approach to understanding the issues that the Global Report should cover and measuring and documenting performance with regard to those issues. Performance measures for societal impact and environmental sustainability are based on widely recognized guidelines.

For reporting on societal impact, Deloitte Global considered the reporting standards from the Committee Encouraging Corporate Philanthropy (CECP) and the London Benchmarking Group (LBG). The monetary value of community activities was estimated according to the type of service performed. The value of volunteer work was based on local Deloitte member firms' ("member firms") staff costs. Pro bono



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work, defined as work that the member firms have delivered to not-for-profit organizations free of charge or at significantly reduced rates, has been valued at fair-market rates representative of the local member firms' client-service rates for comparable services.

Estimates of carbon emissions were prepared according to the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard created by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), with emissions accounted for on the basis of operational control. While the reporting for FY2017 includes a significant number of Scope 3 sources, it does not consider full upstream and downstream emissions from all sources.

FY2017 environmental performance data in the Global Report was directly collected from across the Deloitte network and collectively represented 97 percent of aggregate Deloitte people and 99 percent of aggregate member firm revenues. Extrapolations were used to account for the emissions of the remainder of the organization that did not directly report data. FY2017 societal impact data was reported from across the Deloitte network and collectively represented 99 percent of aggregate Deloitte people and 98 percent of aggregate member firm revenues. Estimates of societal impact contributions were not made for the member firms that did not report this data due to the wide range of societal impact activities across member firms. It should be recognized that these reporting gaps limit the year-to-year comparability of the data. Comparability is expected to improve over time as the number of nonreporting member firms decreases. Data that formed the basis of the reporting was obtained from financial reporting systems, other internal records and outside sources such as travel agencies, utilities and property managers. In FY2017, environmental data was gathered from across the global network using a single carbon software system. Member firms entered their building electricity, fuel usage and business travel, and these activities were converted to tonnes of carbon dioxide equivalent. The methodology for extrapolating member firm emissions was reviewed in FY2016. Based on this review and an analysis of materiality considerations the following changes were made to the GHG reporting process:

- Extrapolation was only done for the three most material emission sources: electricity, air travel and hotel stays.
- The multiplier for extrapolation is based on the weighted average of all reporting member firms for the specific activity data. Before FY2016 the extrapolation multiplier was also based on geographical location and member firm size.

This change was made to simplify reporting and was continued in FY2017. A thorough materiality assessment confirmed that these changes would not materially impact reported results.

Deloitte Global streamlined the way it reported environmental sustainability data in FY2014. We have continued with these practices in FY2017 including the following:

- Refrigerants, district heating and district cooling are excluded from aggregate network reporting as previous analysis showed these emission sources were not material to the overall GHG footprint.
- Paper consumption is tracked, but associated greenhouse gas emissions are not.
- Methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) are not separately calculated in instances where published sources do not incorporate these into carbon-dioxide equivalent (CO<sub>2</sub>e) factors.
- Global warming potentials (GWPs) incorporated into published emission factors are used "as is" and no attempt is made to reconcile to one common set of GWPs. Where choices can be made, we use the 100-year Fifth Assessment Report (AR5) with climate-carbon feedback incorporated as published by the Intergovernmental Panel on Climate Change.

### Emission factors

The software system used for reporting emissions incorporates standard emission factors, the majority of which come from the following sources:



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- The GHG Protocol published by the WRI and WBCSD;
- The International Energy Agency (IEA);
- The UK's Department for Environment, Food and Rural Affairs (DEFRA); and
- The US Department of Energy (US DOE).

Member firms have also identified emission factors that more accurately reflect localized source-specific emissions, such as specific emission factors for a local electric utility. These factors are also incorporated into the software system and used as appropriate for the emissions source. A compilation of emission factors used to calculate the data in the Global Report is included at the end of this section.

### Changes from FY2016

New emission factors were applied for global air travel in FY2017. All air travel, except for air travel by Deloitte UK, used DEFRA's International emission factor for business travel-air. Previously, flight segments were identified by distance, and emission factors were applied according to whether the flight segment was categorized as long haul (more than 1108 km), medium haul (463 to 1108 km) or short haul (less than 463 km). This application of emission factors by distance was maintained for the UK only. This change in emission factors resulted in a significant drop in overall emissions and the performance table shows both the reported values for FY2015 and FY2016, as well as the value that would have been reported had this new emission factor been applied to the previous years' emissions.

Certain sources of commuting data have historically been readily available because the commuting service was coordinated through the member firm. This service is being phased out and data on the commuting activities replacing it are not being captured. Because of this, emissions reductions due to commuting are related to the change in activity capture rather than true reductions in emissions.

### Building-related emission sources

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

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

A simplifying assumption is used for calculating the volume of diesel fuel used for backup power generation. It is assumed that diesel fuel purchased during the fiscal year is used that year. This method likely overestimates actual emissions in some years and underestimates them in others but, over time, captures the related emissions.

### Business travel—Air

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

The default GHG emission factors used to calculate emissions from air travel were based on information published by DEFRA.



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International emission factors were applied for all countries except the UK as noted previously. Seat class-specific emission factors (e.g., first, business, premium economy, economy) were used for a small number of member firms as experience in earlier reporting years showed significant uncertainties around reported seat-class data. The DEFRA emission factors used incorporated an uplift factor to account for nondirect routes, delays and circling, but exclude radiative forcing and indirect emissions.

### **Business travel—Road**

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

For road travel, activity data was gathered from expense reports, rental agency records, travel agency records, Deloitte accounting systems, fuel receipts, odometer logs and receipts or other records indicating distance and location of trip segments. When fuel information was available, GHG emissions were calculated on the basis of mobile combustion factors for the given fuel type. When only distance information was available, GHG emissions were calculated on the basis of average emissions factors (emissions per kilometer traveled) for vehicles according to vehicle type (bus or car), fuel type (diesel, petrol, hybrid or unknown) and location.

A very limited amount of personnel commuting activity data for was available from member firms. Where available, this information was added to the emissions total.

### **Business travel—Rail**

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

### **Accommodations**

The GHG emissions inventory in the report includes emissions from accommodations at hotels, guest houses and apartments for business reasons and in accordance with Deloitte Global and member firm policies. Data was collected from travel agency records, travel expense reports and internal records.

### **Estimations**

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

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

Not every member firm has the capacity to report activity data for GHG emissions, and some member firms report on some, but not all, of the activities within the report boundaries. Ratios of emissions per full-time equivalent (FTE) by emission source were calculated for the member firms that reported, and averages of these ratios were calculated and used to estimate emissions for airlines, hotels and electricity. Consistent with other GRI indicators, emissions intensity per FTE was calculated using the FTE total at the reporting year end (31 May 2017).



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

### Emission factors

The table below shows emission factors that were used in the inventory. Where factors are used in specific countries only, these are listed after the emission source.

Emission source	Emission factor	Unit kg CO <sub>2</sub> e/unit	Reference
Air Travel (various lengths and seat classes)	0.012-0.310	Passenger km	DEFRA's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04); various factors used to depend on class and distance
Bus (Europe)	0.101	Passenger km	DEFRA's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting
Bus (Outside Europe)	0.1017	Passenger km	WRI Emission Factors from Cross Sector Tools (March 2017)
Electricity (Canada)	2-810	MWh	Environment Canada National Inventory Report 1990-2015
Electricity (Australia)	120-1130	MWh	Australian Government—National Greenhouse & Energy Reporting Act 2008, Technical Guidelines 2012
Electricity (India)	820	MWh	CO2 Baseline Database for the Indian Power Sector—User Guides, 2017
Electricity (Japan)	418-802	MWh	Various Japanese power companies
Electricity (Mexico)	478	MWh	Electricity Federal Commission Life Cycle Analysis (LCA)
Electricity (New Zealand)	119	MWh	New Zealand Ministry of Economic Development—Quarterly Energy Update
Electricity (South Africa)	1030	MWh	Eskom's 2016 data
Electricity (Switzerland)	30	MWh	DEFRA's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Electricity (UK)	412	MWh	DEFRA's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)



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Emission source	Emission factor	Unit kg CO <sub>2</sub> e/unit	Reference
Electricity (US)	166-809	MWh	US EPA eGRID 2014
Electricity (various countries)	0-1785	MWh	IEA Statistics, "CO2 Emissions from Fuel Combustion Highlights," 2015 edition
Hotel Stays	30.84	Nights	Based on select information from Green Hotels Global™ Q4 2016
Hotel Stays (New Zealand)	2.56-7.97	Nights	Carbonzero.co.nz
Mobile combustion—car (average) (various fuels) (Finland, Luxembourg)	0.131-0.147	Km	Actual information from the fleet company
Mobile combustion—car (diesel)	2.611	Liter	DEFRA's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Mobile combustion—car (various fuels) (New Zealand)	2.43	Liter	Ministry for the Environment, Guidance for Voluntary, Corporate Greenhouse Gas Reporting
Mobile combustion—car (petrol/gasoline)	2.196	Liter	DEFRA's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Mobile combustion—car (unknown fuel)	0.249	Km	Deloitte Global estimated using data from WRI Emission Factors from Cross Sector Tools (March 2017)
Mobile combustion—car (unknown fuel) (Australia)	2.289	Liter	Australian Government—National Greenhouse & Energy Reporting Act 2008, Technical Guidelines 2012
Mobile combustion—car (unknown fuel) (New Zealand)	0.209	Km	Ministry for the Environment, Guidance for Voluntary, Corporate Greenhouse Gas Reporting
Mobile combustion—car or van (various fuels) (Netherlands)	2.78-3.13	Liter	Stichting Klimaatvriendelijk Aanbesteden en Ondernemen (SKAO)
Mobile combustion—car (various fuels) (Europe)	0.183-0.191	Km	DEFRA's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Mobile combustion—van (various fuels)	0.265-0.283	Km	DEFRA's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Mobile combustion—luxury car (various fuels)	0.234-0.347	Km	DEFRA's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Mobile combustion—motorcycle	0.119	Km	DEFRA's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)



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Emission source	Emission factor	Unit kg CO <sub>2</sub> e/unit	Reference
Mobile combustion—outside Europe car (average) (various fuels)	0.384-0.450	Mile	WRI Emission Factors from Cross Sector Tools (March 2017)
Mobile combustion—taxi	0.236	Passenger mile	WRI Emission Factors from Cross Sector Tools (March 2017)
Mobile combustion—taxi (New Zealand)	0.2	Passenger km	Ministry for the Environment, guidance for voluntary, corporate greenhouse gas reporting
Mobile combustion—car service (US)	0.351	Passenger mile	US Environment Protection Agency (EPA)
Mobile combustion—taxi (UK)	0.162	Passenger km	DEFRA's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Mobile combustion—car (hybrid)	0.132	Km	DEFRA's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Mobile combustion—black car/limo	0.218	Passenger Km	DEFRA's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Rail—average (light rail or tram)	0.163	Passenger km	WRI Emission Factors from Cross Sector Tools (March 2017)
Rail—national rail	0.185	Passenger km	WRI Emission Factors from Cross Sector Tools (March 2017)
Rail—subway	0.163	Passenger km	WRI Emission Factors from Cross Sector Tools (March 2017)
Rail (Eurostar)	0.012	Passenger km	DEFRA's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Rail (Germany)	0.075	Passenger km	Deutsche Bahn
Rail (Netherlands)	0.030	Passenger km	National Rail
Rail (UK)	0.048	Passenger km	DEFRA's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Stationary combustion—diesel/heating oil	2.69	Liter	WRI Emission Factors from Cross Sector Tools (April 2014)
Stationary combustion—LNG	1.229	Liter	DEFRA's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting
Stationary combustion—liquefied petroleum gas (LPG)	1.615	Liter	WRI Emission Factors from Cross Sector Tools (March 2017)
Stationary combustion—liquefied petroleum gas (LPG) (Mexico)	2.54	Liter	Mexicanuih. Mexican Life Cycle Inventory Database





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Emission source	Emission factor	Unit kg CO <sub>2</sub> e/unit	Reference
Stationary combustion—natural gas (Japan)	2.244	Cubic meters	Japan Ministry of the Environment
Stationary combustion—natural gas (low heating value)	1.889	Cubic meters	WRI Emission Factors from Cross Sector Tools (March 2017)
Stationary combustion—natural gas (Switzerland)	0.184	kWh	Swiss National Inventory Report
Stationary combustion—natural gas (New Zealand)	0.194	kWh	Ministry for the Environment, Guidance for Voluntary, Corporate Greenhouse Gas Reporting



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<b>Member firm clients</b>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Client interaction during engagements</li> <li>• Client satisfaction process</li> <li>• Business development activities</li> <li>• Conferences</li> <li>• Proposal responses and follow up on losses</li> <li>• Client questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>• Publicly traded company clients, including their audit committees and boards of directors</li> <li>• Closely-held company clients</li> <li>• Government clients</li> <li>• Nonprofit clients</li> <li>• Past and potential clients</li> </ul>	<ul style="list-style-type: none"> <li>• Service needs of clients</li> <li>• Independence</li> <li>• Ethics</li> <li>• Security and privacy concerns</li> <li>• Value of trusted advisor relationship</li> <li>• Need for industry understanding</li> <li>• Sustainability reporting</li> <li>• Supply chain risks and standards</li> </ul>	<ul style="list-style-type: none"> <li>• New service offerings</li> <li>• Organizing client service around industries</li> <li>• Lead client service roles and responsibility</li> <li>• Adoption of anti-corruption policy and policy regarding privacy programs and leadership</li> <li>• IT security policies</li> <li>• Voluntary sustainability reporting</li> <li>• Supply chain policies and codes of conduct</li> <li>• Chief Confidentiality Officer</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics and integrity</li> <li>• Client satisfaction</li> <li>• Governance risk and compliance</li> <li>• Protection of public interest</li> <li>• Anti-corruption</li> <li>• Corporate responsibility commitment</li> <li>• Privacy and data security</li> <li>• Environmental performance</li> <li>• Supply chain risks/issues</li> <li>• Value of service</li> </ul>



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<b>Deloitte people, their families, and future talent</b>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>• Social media (external and internal)</li> <li>• Recruiting events</li> <li>• Internal discussions</li> <li>• 24/7 support and emergency hotlines</li> <li>• Confidential ethics hotline</li> <li>• Professional development sessions</li> <li>• Coaching</li> <li>• Performance check-ins/reviews</li> <li>• Community involvement and volunteering opportunities</li> <li>• Exit interviews</li> <li>• Alumni network</li> <li>• Multiple times a year</li> <li>• Career conversations</li> <li>• Employee councils</li> <li>• Advisory councils</li> <li>• Town-hall meetings</li> <li>• Affinity groups</li> <li>• Annual basis</li> <li>• People survey</li> <li>• Member firm partner meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Current, former, retired, and prospective employees</li> <li>• Spouses/partners, children, and family members of Deloitte people</li> </ul>	<ul style="list-style-type: none"> <li>• Job satisfaction elements</li> <li>• Work/life balance</li> <li>• Career advancement</li> <li>• Fair treatment</li> <li>• Privacy</li> <li>• Security</li> <li>• Contributions to society</li> <li>• Environmentally sustainable operations</li> <li>• Access to technology</li> <li>• Expectation setting</li> <li>• Educational opportunities</li> <li>• Professional development</li> <li>• Diversity and inclusion</li> <li>• Ethics</li> <li>• Travel and mobility</li> <li>• Well-being</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible work arrangements</li> <li>• Benefits package changes</li> <li>• Extension of certain services to family members</li> <li>• Mentoring programs</li> <li>• Coaching programs</li> <li>• Opportunities for global deployments</li> <li>• Industry training</li> <li>• (Leader) development programs</li> <li>• Digital learning offerings</li> <li>• Well-being programs</li> <li>• Updates to software and hardware</li> <li>• Education and safety mobile applications</li> <li>• Volunteering programs</li> <li>• Ensuring safety of engagement teams</li> <li>• Travel safety programs</li> </ul>	<ul style="list-style-type: none"> <li>• Employee development</li> <li>• Diversity and fair treatment</li> <li>• Inclusive leadership</li> <li>• Ethics and integrity</li> <li>• Client satisfaction</li> <li>• Privacy and data security</li> <li>• Governance, risk, and compliance</li> <li>• Corporate responsibility commitment from leadership</li> <li>• Protection of public interest</li> <li>• Public policy positions</li> <li>• Environmental performance</li> <li>• Health and safety</li> <li>• Community engagement</li> <li>• Labor rights</li> <li>• Compensation</li> <li>• Work/life balance</li> <li>• Professional standards</li> <li>• Professional performance</li> <li>• Well-being</li> </ul>



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<b>Governments and regulators</b>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Proactive engagement with regulators and policymakers on topics impacting the profession and the capital markets</li> <li>• Contribution to shaping of new regulation</li> <li>• Collaboration on policy development</li> <li>• Responding to regulatory and public policy inquiries</li> <li>• Annual or regular recurring basis</li> <li>• Quality/performance reviews</li> <li>• Horizon scanning and sensing</li> </ul>	<ul style="list-style-type: none"> <li>• Audit oversight bodies</li> <li>• National financial market regulators</li> <li>• Government ministries aligned to topics of common interest, including inter alia, finance, economic, labor</li> <li>• International law enforcement and security agencies</li> <li>• Multinational/Inter-governmental fora</li> <li>• Embassies; diplomatic community</li> <li>• Standard-setters</li> <li>• Policy “influencers” (e.g., think tanks)</li> </ul>	<ul style="list-style-type: none"> <li>• Audit quality</li> <li>• Auditor independence</li> <li>• Transparency</li> <li>• Innovation</li> <li>• Market competitiveness</li> <li>• Corporate governance</li> <li>• Diversity and inclusion</li> <li>• Data, confidentiality and privacy</li> <li>• Crisis management</li> <li>• International trade</li> <li>• Jobs and skills</li> <li>• Responsible tax</li> <li>• Inclusive growth</li> <li>• Smart regulation</li> </ul>	<ul style="list-style-type: none"> <li>• Advisory and advocacy groups</li> <li>• Responses to regulatory inquiries</li> <li>• Issuance of transparency reports</li> <li>• Independence policies and monitoring</li> <li>• Employee diversity programs</li> <li>• Supplier diversity programs</li> <li>• Threat assessments and safety recommendations</li> <li>• Research and insights</li> <li>• Thought-leadership, facts and insights</li> </ul>	<ul style="list-style-type: none"> <li>• Protection of public interest</li> <li>• Governance, risk, and compliance</li> <li>• Anti-corruption</li> <li>• Ethics and integrity</li> <li>• Diversity and fair treatment</li> <li>• Data and privacy</li> <li>• Transparency</li> <li>• Environmental performance</li> <li>• Security threats to operations and people</li> <li>• Inclusive growth</li> <li>• International trade</li> <li>• Future of workforce</li> <li>• Mobility</li> </ul>
<b>Professional associations and networks</b>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Involvement in committees and working groups</li> <li>• Representation on leadership councils</li> <li>• Attendance at conferences</li> <li>• Ad hoc</li> <li>• Collaboration on industry white papers</li> <li>• Speaking engagements</li> <li>• Participation in development of standards</li> </ul>	<ul style="list-style-type: none"> <li>• Peer networks</li> <li>• Associations of certified/chartered accountants</li> <li>• Associations of tax professionals</li> <li>• Management consulting professional associations</li> <li>• Financial advisory professional associations</li> <li>• Trade associations</li> <li>• Sustainability associations</li> </ul>	<ul style="list-style-type: none"> <li>• Adherence to professional performance standards</li> <li>• Governance</li> <li>• Open markets</li> <li>• Sustainable development</li> <li>• Standards for auditing of nonfinancial information</li> <li>• Jobs and skills</li> <li>• Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Standards for engagement acceptance and performance</li> <li>• Peer reviews</li> <li>• Commentaries on proposed standards and policy issues</li> <li>• Policy recommendations</li> <li>• Training</li> <li>• Thought-leadership, facts and insights</li> <li>• Strategy formulation</li> </ul>	<ul style="list-style-type: none"> <li>• Protection of public interest</li> <li>• Ethics and integrity</li> <li>• Governance, risk, and compliance</li> <li>• Professional standards</li> <li>• Professional performance</li> <li>• Employee development</li> <li>• Public policy positions</li> <li>• Open markets</li> <li>• Digital economy and technology</li> <li>• Future of workforce</li> <li>• Reporting</li> </ul>



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<b>Nonprofit organizations and local communities</b>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>• Local representation</li> <li>• Pro bono engagements</li> <li>• Collaborations</li> <li>• Volunteering</li> <li>• Social media</li> <li>• Electronic mail</li> <li>• Meetings and conferences</li> <li>• Speaking engagements</li> </ul>	<ul style="list-style-type: none"> <li>• CDP (formerly Carbon Disclosure Project)</li> <li>• International Federation of Red Cross and Red Crescent Societies</li> <li>• JA Worldwide (Junior Achievement)</li> <li>• Teach For All</li> <li>• United Way Worldwide</li> <li>• Local business and community organizations</li> </ul>	<ul style="list-style-type: none"> <li>• Training</li> <li>• Performance improvement</li> <li>• Funding</li> <li>• Marketing</li> <li>• Specific agendas germane to their cause (e.g., sustainability, education, humanitarian action, diversity)</li> <li>• Local business promotion</li> <li>• Transparency in reporting</li> <li>• Cross-sector collaboration</li> </ul>	<ul style="list-style-type: none"> <li>• Skills-based volunteering</li> <li>• Community volunteering</li> <li>• Impact Day</li> <li>• Pro bono engagements</li> <li>• Foundation and member firm monetary and in-kind gifts</li> <li>• Voluntary sustainability reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Youth education and unemployment</li> <li>• Diversity and fair treatment</li> <li>• Ethics and integrity</li> <li>• Anti-corruption</li> <li>• Human rights</li> <li>• Transparency</li> <li>• Corporate responsibility commitment</li> <li>• Public policy positions</li> <li>• Privacy and data security</li> <li>• Environmental performance</li> <li>• Community involvement</li> <li>• Protection of public interest</li> <li>• Social progress and equality</li> </ul>



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<b>International multi-stakeholder organizations</b>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Steering committee memberships</li> <li>• Organizational stakeholder meetings</li> <li>• Meetings, conferences and correspondence</li> <li>• Taskforce and working group participation</li> </ul>	<ul style="list-style-type: none"> <li>• United Nations Global Compact</li> <li>• World Economic Forum</li> <li>• World Business Council for Sustainable Development</li> <li>• International Integrated Reporting Committee</li> <li>• Global Reporting Initiative</li> <li>• Cross-industry business alliances</li> <li>• Private sector conduits into Asia-Pacific Economic Cooperation</li> <li>• Private sector conduits into Organization for Economic Co-operation and Development</li> <li>• Private sector conduits into G20</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of and adherence to international norms</li> <li>• Understanding of frameworks and initiatives</li> <li>• Economic, social, and humanitarian development</li> <li>• Trusted financial system</li> <li>• Innovation</li> <li>• Jobs and skills</li> <li>• International trade</li> <li>• Inclusive growth</li> </ul>	<ul style="list-style-type: none"> <li>• Pro bono engagements</li> <li>• Internal and external training</li> <li>• Thought-leadership, facts and insights</li> <li>• Changes to global report content</li> <li>• Voluntary reporting on sustainability</li> <li>• GHG reduction targets in place or in development (varies across member firms)</li> <li>• Policy recommendations supporting growth and development</li> <li>• Policy statements of support</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics and integrity</li> <li>• Trusted financial systems</li> <li>• Diversity and fair treatment</li> <li>• Education</li> <li>• Youth unemployment</li> <li>• Governance, risk, and compliance</li> <li>• Data, security and privacy</li> <li>• Environmental performance</li> <li>• Human rights</li> <li>• Community engagement</li> <li>• Physical security</li> <li>• Social progress and equality</li> <li>• Trade and investment</li> <li>• Inclusive growth</li> <li>• Open markets</li> <li>• Future of workforce</li> <li>• Digital economy</li> </ul>



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<b>Suppliers</b>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>• Negotiations</li> <li>• Meetings</li> <li>• Supplier sourcing</li> <li>• Industry meetings</li> <li>• Ongoing relationship management</li> </ul>	<ul style="list-style-type: none"> <li>• Technology suppliers</li> <li>• Travel service suppliers</li> <li>• Consultants and professional services suppliers</li> <li>• Real estate and facilities suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Contract terms including pricing and payment</li> <li>• Features and functionality</li> <li>• Issue resolution</li> <li>• Confidentiality</li> <li>• Sales projections</li> <li>• Opportunities for (mutual) sustainable solutions</li> <li>• Opportunities for collaboration</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of preferred suppliers</li> <li>• Establishment of green purchasing practices</li> <li>• Contracts</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics and integrity</li> <li>• Anti-corruption</li> <li>• Diversity and fair treatment</li> <li>• Privacy and data security</li> <li>• Sustainability practices</li> </ul>
<b>Industry and market analysts</b>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>• Global engagement strategy involving Deloitte executive leadership, subject matter specialists, and other stakeholders across all geographies, businesses, and industries</li> </ul>	<ul style="list-style-type: none"> <li>• ALM Intelligence</li> <li>• Forrester</li> <li>• Gartner</li> <li>• IDC</li> </ul> <p><i>Representative only</i></p>	<ul style="list-style-type: none"> <li>• Capabilities (e.g. digital, risk/cyber, change, innovation, technology, transformation)</li> <li>• Client and market trends</li> <li>• Competitive landscape</li> <li>• Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• On-going relationships</li> <li>• Dialogue and shared insights</li> <li>• Formal analyst inquiry and briefings</li> <li>• Analyst events and advisory sessions virtual and in-person</li> <li>• Participation in evaluative research</li> </ul>	<ul style="list-style-type: none"> <li>• Digital disruption</li> <li>• Technology and emerging tech</li> <li>• Customer experience</li> <li>• Business transformation</li> <li>• Cyber security</li> <li>• People and change</li> <li>• Future of consulting</li> </ul>
<b>Educational institutions/academia</b>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>• Participation in programs</li> <li>• Collaborations</li> <li>• Recruiting</li> <li>• Guest lecturing and speaking engagements</li> </ul>	<ul style="list-style-type: none"> <li>• Students of high potential who receive educational scholarships from Deloitte</li> </ul>	<ul style="list-style-type: none"> <li>• Subject matter knowledge</li> <li>• New perspectives</li> <li>• Leading research</li> <li>• Career placement</li> </ul>	<ul style="list-style-type: none"> <li>• Volunteering</li> <li>• Pro bono engagements</li> <li>• Matching gifts</li> <li>• Guest lecturers</li> <li>• Funding of chairs and scholarships at universities</li> </ul>	<ul style="list-style-type: none"> <li>• Education</li> <li>• Ethics and integrity</li> <li>• Diversity and fair treatment</li> <li>• Employee development</li> <li>• Anti-corruption</li> <li>• Human rights</li> </ul>

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