

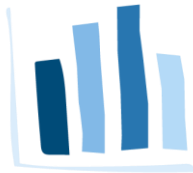
This is an English translation of Deloitte Tohmatsu Group Impact Report 2021 issued by Deloitte Tohmatsu Group on October 29 2021.
If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail.

Deloitte Tohmatsu Group Impact Report 2021

Table of Content

The Impact Report 2021 introduces our activities and achievements during FY2021, from June 1, 2020 to May 31, 2021, showcasing how we worked towards our vision to be a catalyst in transforming economic society. The report also illustrate how we are striving to attain our aspirational goal of a “Well-being Society“ through the most recent initiatives aimed at enhancing and reinforcing our core management platform and organizational structure.

Business



- [About our FY21 Revenue](#)
- [Public Interest](#)
- [Philosophy of Deloitte Tohmatsu Group](#)
- [History of Deloitte Tohmatsu Group](#)

Environmental



- **Planetary Well-being**
 - [Proposing practical solutions for decarbonization with “just transition” as a core concept](#)
 - [WorldClimate: Achieving net zero emission by 2030](#)

Social



- **Personal Well-being**
 - [Offering opportunities for professional growth](#)
 - [Building mutual empathy and trust: Fostering the culture of ethics and integrity](#)
 - [DEI \(Diversity, Equity & Inclusion\)](#)
- **Societal Well-being**
 - [Supporting people faced with challenges](#)
 - [Increasing our impact on solutions to social challenges by connecting people](#)

Governance



- [Governance of Deloitte Tohmatsu Group](#)
- [About Deloitte Network](#)
- [Information Security](#)
- [Independence](#)
- [Risk Management](#)
- [Commitment against anti-corruption](#)
- [Public Policy](#)

Performance



- [The List of Performance Metrics](#)

CEO Message: As we publish Deloitte Tohatsu Group's Impact Report 2021 Achieving the "Well-being Society" as a catalyst in transforming economic society

This Report, covering from June 1, 2020 to May 31, 2021 ("the fiscal year") overlaps with the period of time when the entire society of Japan was more than ever challenged to address difficulties and issues as the COVID-19 pandemic entailed new lifestyles and highlighted the urgent need for governments and businesses to become more digitalized. In addition, with the Japanese government's new commitment to achieving carbon neutrality by 2050, climate actions gained momentum drastically. The year clearly highlighted the need to shift the growth model from one that is focused on economic value to another that balances both social and economic values in a sustainable manner.

Against this backdrop, Deloitte Tohatsu Group ("Deloitte Tohatsu" or "our Group") continued to pursue the ideal status of economic society in the post-COVID era, creating new collaborative opportunities in many areas, while going beyond the boundaries of businesses, governments, and academia, as we strive to achieve our vision to be a catalyst in transforming economic society. Deloitte Tohatsu, with its origin as, "Tohatsu, Aoki, Tsuda, Tsukada, Aoki, Uno and Kusakabe Accounting Firm" founded in 1968, has evolved into an all-round professional firm employing 15,000 professionals today. Inheriting the founding spirit, there always lies a strong underlying sense of mission for achieving social justice in our Group. Building on this sense of mission towards social justice as our common base, diverse professionals collaborate with each other and co-create together regardless of their expertise. This is how we boldly envision the ideal state of economic society for the next generation and facilitate transformation in many aspects towards the envisioned

future. During this fiscal year, with insights and expertise contributed by leaders across multiple fields, we proposed how Japan should drive the "Great Reset," that is, a fundamental transformation of the economic and social system. We also have established the CEO Initiative that is tasked to work on the most important themes for economic society, such as climate actions and the acceleration of digital transformation in public and private sectors. Group-wide professionals leverage their extensive expertise and networks across Japan and our global network in the Initiative.

As pursuing both social and economic values at the same time is now a new norm, we are keenly aware that Deloitte Tohatsu is propelled to show clear directions on how we work through future society and how we create social values. During this fiscal year, with these challenges in mind, we have had extensive discussions on how we expand and reinforce our activity base to create tangible social values. As a culmination to these discussions, we announced to our stakeholders our aspirational goal of achieving a "Well-being Society built on empathy and mutual trust among people" which defines how we create social values through the activities and initiatives we are undertaking. We chose to announce this on March 11, 2021, the 10th commemoration of the Great East Japan Earthquake, to reflect our desire to pass on our experiences of the disaster reconstruction efforts to the next generation. The Well-being Society is composed of Personal Well-being, which begins with each one of us as individuals, Societal Well-being, which embraces the collective of local communities we belong to, and Planetary Well-being, the global environment which lays the foundation for us all. All levels of Well-being

require constant improvements and engagement of all the people who, in turn, feel and share the fruits of the Well-being Society. These three levels of well-being are not trade-offs; rather they are complimentary with each other. We must bring these three - personal, societal, and planetary well-being, into the next level simultaneously.

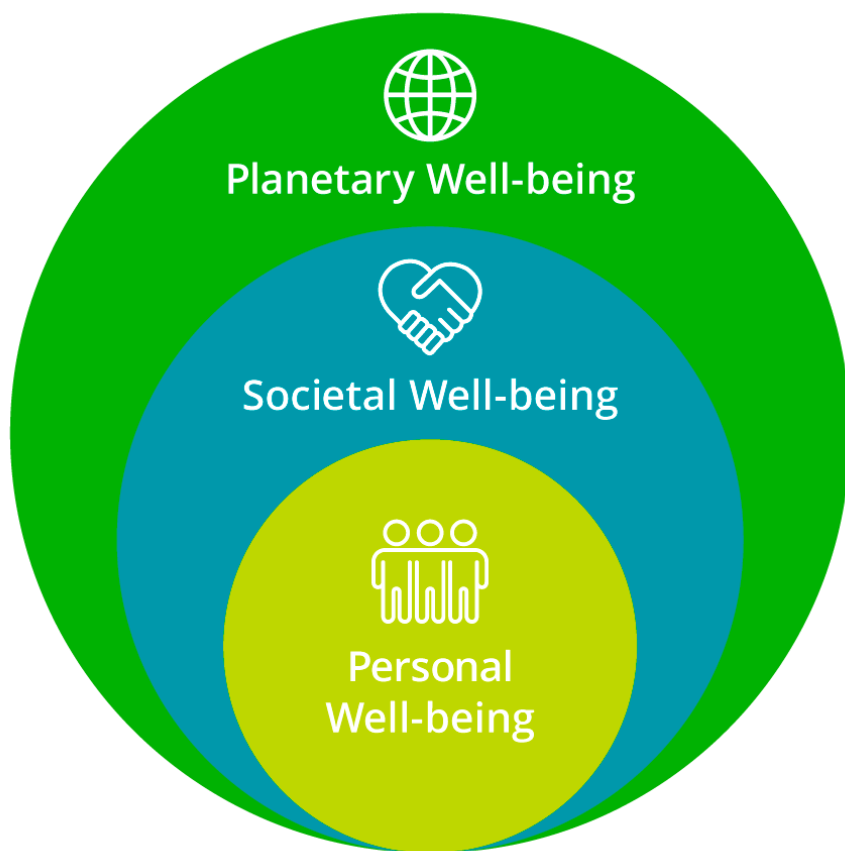
This Report looks back at the fiscal year to highlight major activities at Deloitte Tohatsu while outlining how we enhanced and reinforced our core management platform and the organizational structure in the three areas of Well-being with the aim of attaining the Well-being Society. We believe that the publication of the Report brings about more transparency in our business management and helps a range of stakeholders to understand how our Group operates. It is our hope that the Report helps expand our dialogue and collaboration with stakeholders in realizing the Well-being Society.



永田高士

CEO of Deloitte Tohatsu Group
Takashi Nagata

To build “Well-being Society” based on empathy and mutual trust among people



The Well-being Society, the aspirational goal for Deloitte Tohmatu Group, is composed of Personal Well-being, which begins with each one of us as individuals, Societal Well-being, which embraces the collective of local communities we belong to, and Planetary Well-being, the global environment which lays the foundation for us all. All levels of Well-being require constant improvements and engagement of all the people who, in turn, feel and share the fruits of the Well-being Society. These three levels of well-being are not trade-offs; rather they are complimentary with each other. We must bring these three - personal, societal, and planetary well-being, into the next level simultaneously.

Personal Well-being is considered as the starting point for the Well-being Society. We are aware that our Group’s greatest asset as a professional firm is the people who gather together as a team. We are committed to creating an organizational culture of mutual empathy and trust by ensuring an environment in which every member feels comfortable and safe while being respected for their diverse personalities and differences. Our extensive trainings and career opportunities are designed to ensure that professionals feel motivated as they continue to pursue their personal growth depending on their passion and potential. What we are aiming for here is a positive cycle - as members pursue their own Personal Well-being, they in turn are enabled to proactively contribute to building the Well-being Society.

Towards Societal Well-being, again, we focus on people as the key driver. As an all-round professional firm with offices in Iwate, Miyagi, and Fukushima, three prefectures that were struck by the Great East Japan Earthquake, Deloitte Tohmatu Group is supporting these communities even today, more than 10 years after the disaster. The focus here is on developing talent capable of leading reconstruction efforts. The experiences helped us facilitate unique initiatives centered around talent development and education in addressing many other social challenges in communities, both in Japan and globally. We are promoting collaboration among diverse sectors - national and municipal governments, businesses, academia as well as non-profit and non-governmental organizations. In addition, we are proud of making extensive contributions as we take part in *WorldClass*, a global initiative deployed at Deloitte that is designed to empower 50 million people to succeed in a rapidly changing global economy by 2030 in three areas: education, skills, and opportunities.

To pursue Planetary Well-being, our core concept is the idea of a “just transition” as we shift to carbon neutrality by 2050. For this purpose, we are encouraging collaboration among all stakeholders while supporting transformation in many aspects so as not to leave anyone behind. Aligning with Deloitte’s global initiative, *WorldClimate*, Deloitte Tohmatu Group is committed to achieving net zero emission of green house gases by 2030.

Business



Business



Business

Aspiring to be a catalyst in transforming economic society, we create value through collaboration beyond our areas of expertise

Deloitte Tohmatsu Group is the largest professional firm in Japan with a total of 15,500 members working for the Group. It is comprised of Deloitte Tohmatsu LLC, which is responsible for the Group's governance and management, as well as five businesses - Audit & Assurance, Risk Advisory, Consulting, Financial Advisory, and Tax and Legal - and Corporate functions.

The Group aspires to be a catalyst in transforming economic society. With professionals in five businesses partnering and collaborating across their fields of expertise, we create new value and bring about sophisticated solutions to social challenges. Our goal is to drive the transformation required for the entire economic society forward, not merely for our own clients. We see transformation of economic society through the three lenses of Envisioning, Transformation, and Assurance, as we conduct business activities.



Business

Envisioning:

Bringing about solutions to crucial socioeconomic challenges calls for continuous transformation, not simply making one-off changes to existing norms. This is why we need to present convincing visions of the ideal status of society to be realized through transformation. Deloitte Tohmatsu connects diverse players beyond the boundary of sectors - traditional businesses, industries, public sectors and academia - in an effort to create such visions and make new rules that support those visions.

Transformation:

In this economic society filled with increasing uncertainties, in order for us to effectively drive transformation, it is crucial for us to present direction as to how we are to get there, while regarding all risks as opportunities and making holistic efforts to win engagement and collaboration from all stakeholders. In accelerating transformations for the era to come, our success depends on how we harness the power of digital technologies. We are calling for the need for “dX” or Digital Business Transformation. That is, Japanese corporations need to grow out of their silo approach in implementing digitalization merely to achieve partial optimization. What is required is a fundamental transformation of their management model by unleashing the full potential of digital technologies.

Assurance:

Transformation of economic society presupposes new rules that support such transformation. Capital markets and other social systems need to work under the new rules. Performance needs to be measured in alignment with the new rules while reliability should be guaranteed according to the new rules. Corporate leaders are pressed even more to establish higher levels of governance by taking these new rules into considerations, as they look to risks and uncertainties emerging from the new norm.

As a firm grounded upon the credibility of audit, we see it as our responsibility to transform our accounting audit offerings to showcase the future of the services as the speed of digitalization accelerates.



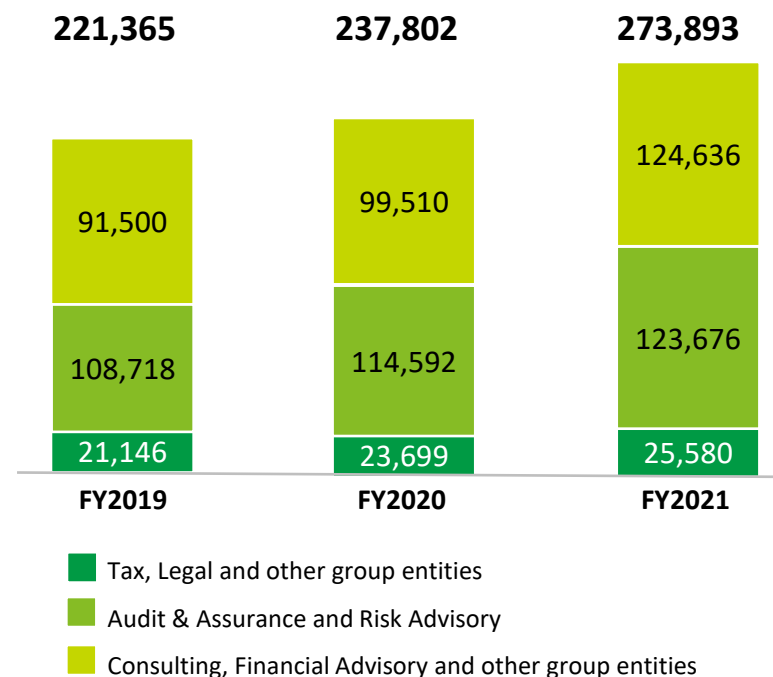
About our FY21 Revenue

The revenue of Deloitte Tohmatsu Group in FY2021 (from June 2020 to May 2021, “FY21”) was 273,893 million yen, an increase of 15% year-on-year. Breaking down the revenue, Deloitte Touche Tohmatsu LLC (including Audit and Assurance as well as Risk Advisory) posted 123,676 million yen, an increase of 8% year-on-year; Consulting and Financial Advisory group companies posted 124,636 million yen, an increase of 25% year-on-year; and Tax and Legal services group companies posted 25,580 million yen, an increase of 8% year-on-year.

Investment on digitalization: Asset-enabled Business and Audit Innovation

Establishing a new business model called Asset-enabled Business (AEB) has become our new focus, in which professional insights and services that have traditionally been managed by individuals are reshaped into digital assets so that challenges are quickly visualized. With this, professionals are well positioned to offer more sophisticated advisory services or any support required for transformation. The investment in this area over FY21 was 2,906 million yen. The Audit business is focused on audit transformation in a way to organically integrate technologies and professional perspectives in an aim to offer value added insights while reducing the cost to society as a whole. The investment totaled 3,008 million yen.

Revenue (in million yen)



FY21 Revenue - Overview of Each Business

Audit & Assurance

Audit & Assurance quickly and effectively responded to challenges posed by COVID-19, offering consistently high-quality audit services. The business is driving audit innovation, leveraging advanced technologies while expanding global capabilities and improving communications with companies with which it provides audit services. Our aim is to help clients make proper financial reports and improve internal controls, thereby helping capital markets develop with assurance.



Risk Advisory



Risk Advisory caters to the needs of corporations and the public sector, leveraging expertise in effectively managing a range of risks related to organizations, technologies and financial transactions. Clients enjoy expanded support and services as they address their management challenges which have gained significance in recent years - whether it be acceleration of digital transformation, expansion of sustainable business management, climate actions, or expanded risk management in their supply chains. The business also doubled down on cybersecurity advisory services as the accelerated move towards digital transformation is heightening threats to cybersecurity.

Consulting

When clients work on innovations and transformation to lead the market, end-to-end consulting services are critical. Our proposals and execution of strategies take into account both business and technological perspectives. Understanding that clients were urged to transform every aspect of their business during the pandemic, Consulting helped them solve many challenges along the way. The business also saw partnerships with technology companies as critical, especially in deploying necessary transformations. We will continue to transform ourselves by expanding and reinforcing our digital capabilities - whether it be digitalization, cloud transformation, or digital analytics.



Financial Advisory



Financial Advisory offers highly professional end-to-end services depending on the circumstances and needs of clients. For example, mergers and acquisitions to ensure enhanced corporate value and sustainable growth, or crisis management to mitigate significant damage to their corporate value. During the pandemic, our Group's client management services worked as one team to support public economic aid schemes rolled out by the national government. For the M&A service, we worked with other companies and conducted our own mergers and acquisitions in a way to expand our own capabilities. We are also working on services in the areas of business start-up and corporate innovations to discover and develop new, innovative services that take advantage of the power of digitalization.

Tax and Legal

Tax and Legal quickly helped clients respond and solve challenges presented by the COVID-19 pandemic. As part of the challenges associated with implementing remote working arrangements, reform of tax operations, which often comes with a question as to whether to co-source or outsource, is another area where we saw an increase in demand. In addition, we experienced increased demand for our advisory services on operational transformation of tax and legal functions within companies, as well as on restructuring and streamlining of companies. We are committed to helping clients navigate through the various effects of tax policies as the government takes measures to stabilize the economy. We are making sure that our clients can respond to the on-going tax reforms and any developments related to the proposed digital service tax in a timely manner.



Public Interest

Deloitte Tohmatsu's commitment to responsible business underlies everything we do. It's more than just doing the right thing; it's about using our spheres of influence to foster better social norms, while demonstrating responsible business through the actions of our clients. Our ultimate goal is to contribute to the broader public interest. Deloitte Tohmatsu provides audit and assurance, risk advisory, consulting, financial advisory and tax and legal services - always striving to act in the public interest, exercising the highest ethical standards and delivering the highest-quality services. In addition, Independent Non-Executives ("INEs") are invited to sit in the Board meetings while the Public Interest Audit Committee, which is comprised solely of INEs, provide advice and suggestions, making sure that we serve the public interest in a manner that meets the expectations of stakeholders. Following are some examples of how we serve the public interest.

Audit & Assurance

We serve the public interest by enabling trust and transparency across and between stakeholders in the financial reporting ecosystem. Independent auditors help

the capital markets system function with greater confidence, attesting to or expressing opinions as to whether financial statements, internal controls and regulatory reports are prepared in accordance with identified financial reporting frameworks. Constant enhancement of audit quality is one of our top priorities, with the belief that relevant and reliable audit processes are increasingly essential to investor confidence and to the ongoing vitality of capital markets. Ongoing investments in audit quality and technology demonstrates Deloitte Tohmatsu's commitment to fulfilling its public interest role and enhancing trust among businesses and the capital market.

Tax

We help clients be compliant by guiding them through rapidly changing and complex domestic and international tax laws through relevant consultation. Advice of tax professionals at Deloitte Tohmatsu is subject to high ethical standards, rigorous quality control, expert insights and the Code of Conduct, offered in compliance with the applicable laws and regulations of countries and regions covered.

Talent

Deloitte Tohmatsu respects International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work in four categories; freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labor, the abolition of child labor and the elimination of discrimination in respect of employment and occupation. The firm also advocates and respects protection of human rights, adopting a group-wide human rights policy and establishing Deloitte Speak Up, a reporting channel to properly handle concerns and questions. Above all, promoting diversity, equity and inclusion ("DE&I") in all forms is at the core of what we do as we believe respect and appreciation for gender, nationality, sexual orientation and gender identity, culture, religious belief, value and disability serves as a foundation for every one of us to fully exhibit our potential



Public Interest

WorldImpact

Non-client related services are no exception when it comes to proactively serving public interests. *WorldImpact*, along with *WorldClass* and *WorldClimate* as two of the core programs, is a collective term for all initiatives promoted through collaboration and partnership with the global Deloitte network. Under *WorldClass*, Deloitte seeks to empower 100 million people by 2030 in three areas - education, skills, and opportunity. Aligned with this, our goal in Japan is to make a positive impact on two million people by 2030. In addition, working closely with Deloitte Network, we at Deloitte Tohmatsu are making steady progress towards the attainment of the goal set by *WorldClimate*, Deloitte's climate change strategy, to achieve net-zero greenhouse gas emissions by 2030.

Playing our role in building the “Well-being Society”

Deloitte Tohmatsu Group defines its Aspirational Goal as creating the “Well-being Society” built on empathy and mutual trust among people.” We are committed to scaling up our efforts in various aspects towards this goal and facilitating activities related to *WorldImpact* is a part of this effort. *WorldImpact* & Well-being Council plays the central role in ensuring that all activities are backed up by and promoted across the Group. Furthermore, key initiatives are facilitated by working groups, including *WorldClass* and *WorldClimate* as well as the Deloitte Tohmatsu Well-being Foundation, the organization which primarily offers contributions and subsidies to projects designed for enhanced Well-being. *WorldImpact* & Well-being Council, composed of Deloitte Tohmatsu Group CEO and Board Chair, as well as related Board members and the Group's executives, are responsible for establishing a proper organizational structure in which all initiatives aimed at a Well-being Society are closely and organically linked with business activities across the Group.



Philosophy of Deloitte Tohmatu Group

Employees and members of Deloitte Tohmatu Group are committed to behave in accordance with Deloitte Network Purpose, which is presented by Deloitte to its global member firms, as well as the Philosophy and Shared Values of Deloitte Tohmatu Group.

Deloitte Network Purpose: Deloitte makes an impact that matters

Deloitte makes an impact that matters. Every day we challenge ourselves to do what matters most—for clients, for our people, and for society. We serve clients distinctively, bringing innovative insights, solving complex challenges and unlocking sustainable growth. We inspire our talented professionals to deliver outstanding value to clients, providing an exceptional career experience and an inclusive and collaborative culture. We contribute to society, building confidence and trust in the markets, upholding the integrity of organizations and supporting our communities.

Philosophy of Deloitte Tohmatu Group

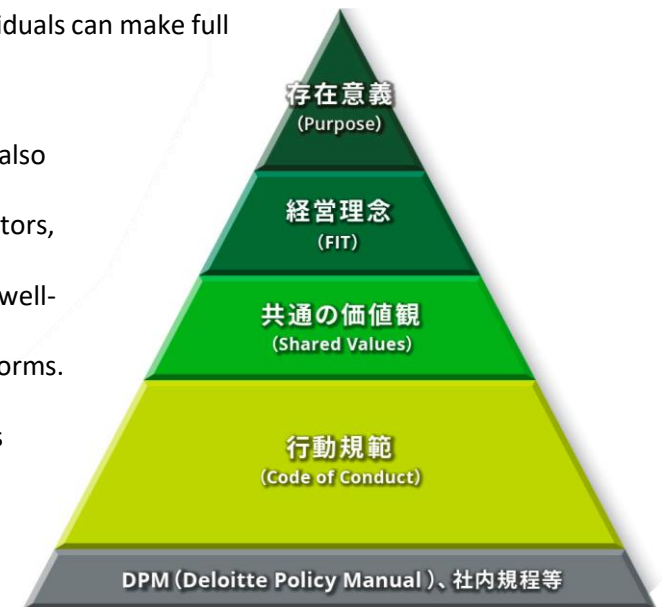
- **Fairness to society:** Ensure fairness within our economic society and take the lead in contributing to its development.
- **Innovation for clients:** Offer intellectual professional services that exceed the expectations of our clients.
- **Talent of people:** Respect the individuality of each person and create a fulfilling workplace in which individuals can make full use of their abilities.

Shared Values

- **Leading the way:** Deloitte is not only leading the profession, but also reinventing it for the future. We're also committed to creating opportunity and leading the way to a more sustainable world.
- **Serve with integrity:** By acting ethically and with integrity, Deloitte has earned the trust of clients, regulators, and the public. Upholding that trust is our single most important responsibility.
- **Take care of each other:** We look out for one another and prioritize respect, fairness, development, and well-being.
- **Fostering inclusion:** We are at our best when we foster an inclusive culture and embrace diversity in all forms. We know this attracts top talent, enables innovation, and helps deliver well-rounded client solutions.
- **Collaborate for measurable impact:** We approach our work with a collaborative mindset, teaming across businesses, geographies, and skill sets to deliver tangible, measurable, attributable impact.

Code of Conduct

It starts with integrity.



History of Deloitte Tohmatsu Group

Established in 1968 as Japan's first nation-wide audit firm, Deloitte Tohmatsu Group has evolved into the largest professional firm in Japan through a series of mergers, integrations, and partnerships that helped the firm expand its business base and areas of business activities.

February 2019	Opened the Group's main office in Marunouchi area, Tokyo
May 2018	50th anniversary of Deloitte Tohmatsu Group's foundation
April 2017	Deloitte Tohmatsu Corporate Solutions LLC established
April 2015	DT Legal Japan joined Deloitte Tohmatsu Group The Group officially named as "Deloitte Tohmatsu Group"
April 2014	Deloitte Tohmatsu LLC established.
July 2009	Tohmatsu & Co. reorganized as a Limited Liability Audit Corporations and renamed as Deloitte Touche Tohmatsu LLC
May 2002	Tohmatsu Tax Co. established (*The precursor of Deloitte Tohmatsu Tax Co.)
June 2001	Deloitte Tohmatsu Corporate Finance Co., Ltd. Established (*The precursor of Deloitte Tohmatsu Financial Advisory LLC.)
April 1993	Tohmatsu Consulting Co., Ltd. Established (*The precursor of Deloitte Tohmatsu Consulting LLC.)
February 1990	Merged with Mita Audit Corporation and renamed as Tohmatsu & Co.
January 1990	Touche Ross International merged with Deloitte Haskins and Sells International and formed Deloitte Ross Tohmatsu International, the precursor of Deloitte Touche Tohmats Limited (DTTL).
October 1988	Merged with Nishikata Audit Corporation and Sapporo Daiichi Audit Corporation
April 1988	Merged with Marunouchi Audit Corporation
October 1986	Merged with Sanwa Audit Corporation and renamed as Tohmatsu Awoki & Sanwa
May 1975	Joined Touche Ross International Alliance
September 1969	The firm's first expatriate sent to San Francisco
February 1969	Renamed as Tohmatsu Awoki & Co.
May 1968	Established as Tohmatsu Awoki Tsuda Tsukada Awoki Uno Kasukabe & Co.



Environmental



Environmental



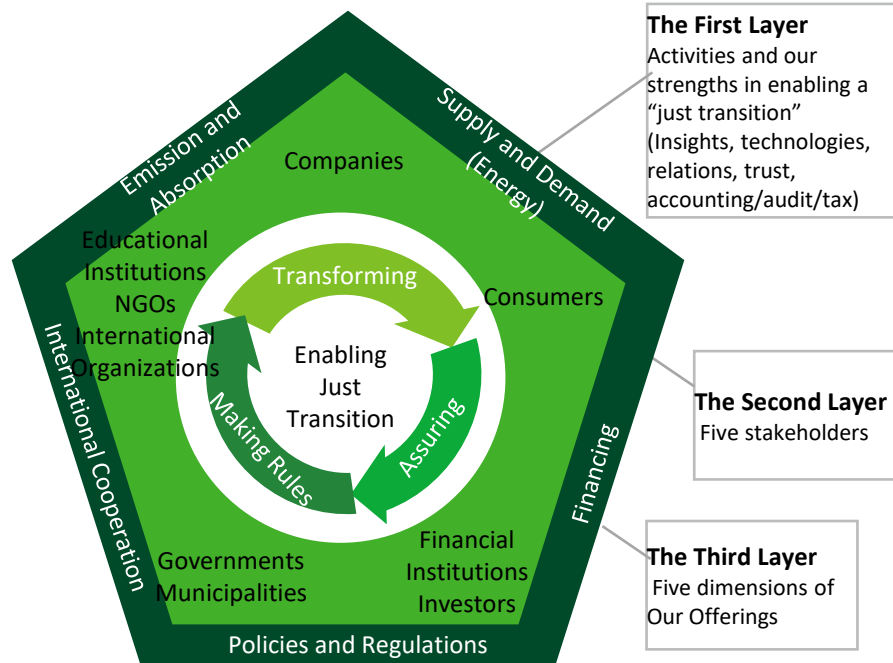
Environmental

Solving global environmental issues, such as tackling climate change, has a direct impact on Planetary Well-being. At Deloitte Tohmatsu, we uphold the idea of a “just transition” in a shift to carbon neutrality so that we leave no one behind. Our focus is to come up with practical solutions to help reform the socioeconomic system as a whole.

Aligning ourselves with initiatives undertaken by Deloitte Network, we made a commitment to achieving net zero emission of greenhouse gases from our business activities in Japan by 2030.

Planetary Well-being:

Proposing practical solutions to decarbonization with a “just transition” as the underlying concept



Solving global environmental issues, such as tackling climate change, has a direct impact on Planetary Well-being. At Deloitte Tohmatsu, we uphold the idea of a “just transition” in a shift to carbon neutrality so that we leave no one behind. Our focus is to come up with practical solutions to help reform the socioeconomic system as a whole.

To facilitate this shift, Deloitte Tohmatsu is working closely with all stakeholders to offer holistic views as we engage in, and take a leading role in, three aspects of transformation: 1) ENVISIONING an ideal social system through making new rules, 2) urging businesses and industries to TRANSFORM and 3) ASSURING a framework that guarantees reliability of the new, transformed system.

To encourage the Group-wide transformation towards carbon neutrality, we launched the Group CEO’s Climate Sustainability Initiative in December 2020. Over 100 core members who have expertise in different fields related to climate change are now working on this Group-wide initiative to envision and implement how we effectively make transformation on a tangible scale with a sense of urgency. The goal is to ensure collaboration among stakeholders that goes beyond the boundaries of businesses, governments and academia in a way to develop an ecosystem that covers a range of industries and sectors.

As part of this effort, the Group established a dedicated professional team tasked to help implement and expand offshore wind power projects in Japan. Professionals from many areas - from developing policy agenda to advising on M&A, finance, audit, and tax - offer holistic support to help the offshore wind projects develop into a tangible business. This is another example of how we are engaging with diverse stakeholders from both the public and private sectors.

As another example, in March 2021, we launched an industry-wide partnership, commissioned by the New Energy and Industrial Technology Development Organization (NEDO). Working with Japan Petroleum Exploration Co., Ltd. (JAPEX), the partnership aims to achieve net zero emission of greenhouse gases in the entire area of Tomakomai City, Hokkaido. This project is to study the feasibility of carbon recycling, a method considered one of the most promising by the Japanese Government. Carbon recycling, in which carbon dioxide is treated as a resource and thus separated and collected to convert into materials and fuel, reduces carbon emissions into the air. For this promising technology to be implemented in the future, sector coupling, i.e. integration among different energy sectors, is seen as key. Tomakomai is an ideal test field for this project in that the city’s port is an aggregate of oil and gas fields, an oil refinery, a thermal power plant, an airport and manufacturers as well as biomass businesses, vegetable factories and JCCS’s Tomakomai Demonstration Experiment Center.

In October 2021, a new book, “Green Transformation Strategy,” is due to be published by Deloitte Tohmatsu, which proposes practical solutions to challenges that may arise along the way towards decarbonization.

Planetary Well-being:

WorldClimate: Achieving net zero emissions by 2030

Deloitte Tohmatu considers itself as a corporate citizen committed to building a fair and sustainable society. Aligning ourselves with the *WorldClimate* Initiative undertaken across Deloitte Network in an effort to address climate change, we at Deloitte Tohmatu set our goal of achieving net zero emission of greenhouse gases from our operations by 2030 and are taking steps to reach this goal.

Due to the nature of our business as a professional services firm, Deloitte Tohmatu's greenhouse gas emissions are largely from energy consumption in the office and air travel related to members' business trips. While our carbon emissions are decreasing, partly due to the effect of the COVID-19 pandemic, we are resolved not to slow our pace and efforts to reduce our greenhouse gas emissions further. We also help our Group's members gain more awareness on how they can make responsible choices at home and at work to reduce carbon emission by sharing more information on how daily decisions on consumption, use and purchase affect climate change. Here are highlights of our activities:

Offices

Our goal is to source 100% of the energy used in our offices from renewables by 2030. Among our offices in Tokyo, the Shin-Tokyo Building and Marunouchi Nijubashi Building have switched to sourcing from renewable power, which makes it possible for almost 60% of our offices in Japan to be powered by renewable energies. The amount of paper use has been declining as a result of our efforts to implement and expand new ways of working - mainly work-from-home arrangements - as well as increased use of digital-based contracts and invoices, thanks to cooperation from business partners and other stakeholders. We also have a structured way to ensure delivery

of posted mails within our offices in a timely manner, for which the staff at our special subsidiary, Tohmatu Challenged, is responsible. These efforts further accelerate paper-free operations.

Business Trips

Because both domestic and international travel was highly restricted throughout FY21, greenhouse gas emissions deriving from air travel for business trips declined significantly. Anticipating travel to resume sometime soon, the Group plans to set a goal for the reduction of greenhouse gases from business trips and to come up with measures for the goal sometime in FY22 or later.

Empowerment of Individuals

All professionals at Deloitte Tohmatu should be capable of encouraging clients and other stakeholders inside and outside of our organization to make responsible choices. We are empowering individuals with the hope that each one of our members play a part in raising awareness and urging actions on climate change.

For this, the month of April 2021 was dedicated for *WorldClimate*. Working with Deloitte firms in other countries and regions, we published a special website, offered a Climate Impact Quiz and rolled out #iAct campaign, commemorating Earth Day on April 22, all designed to help individuals take action. Aligning with a global mandatory training policy on climate change, compulsory for all 330,000 global members at Deloitte, our firms in Japan started rolling out this E-learning program in September, requiring all 15,500 members of Deloitte Tohmatu to complete the training by February 2022.

Contributing to an Ecosystem

With Imabari Dream and Sports ("FC Imabari"), we co-published an educational leaflet on the environment, "Me and the Planet," in December 2020. The leaflet outlines, with accompanying illustrations, the evolution of our planet over the 4.6 billion years since its birth and how the cyclical nature of life makes it possible for diverse creatures to thrive. The leaflet also offers explanations on the Sustainable Development Goals. This was distributed through the local education board to students in public elementary schools in Imabari City. Furthermore, Deloitte Digital, FC Imabari and Sanrio Company, Ltd. worked together to develop a video that introduces part of "Me and the Planet" leaflet, with Hello Kitty playing the main role. The video was designed in a way to raise awareness among elementary school children on the Sustainable Development Goals. This video was made available online in commemoration of being screened at the Branded Shorts 2021, a festival for short films created by companies and advertising agencies for branding purposes. The event was part of the Short Short Film Festival & Asia 2021, one of the largest international short film festivals in Asia, which is officially recognized by the U.S. Academy Awards. These materials are now used in the local Ehime Newspapers as part of its E-learning content for elementary to middle school students in the prefecture. Being called "Ehime Shimbun for Study ("E-Study"), the E-learning content is now a very popular educational material among children who will be leading the next generation.



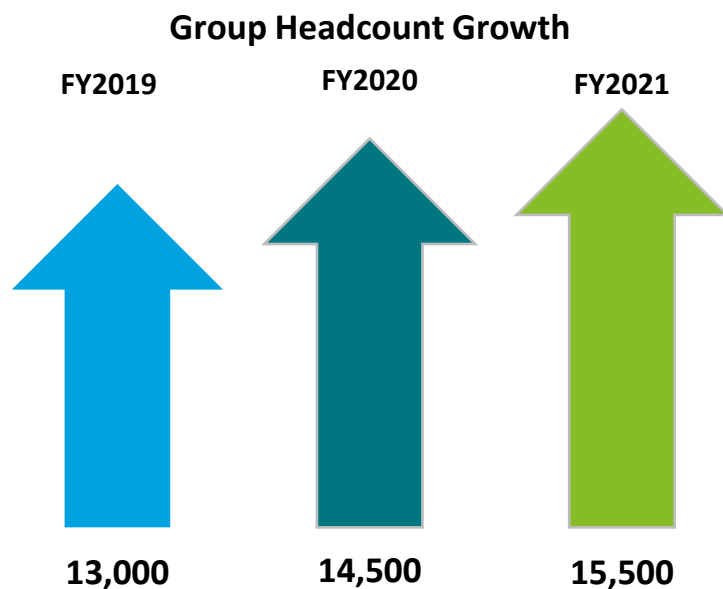
Social



Personal Well-being Offering opportunities to grow

Deloitte Tohmatsu Group recognizes that its biggest asset as a professional group is its people. Part of our Philosophy, “Talent of People,” declares that “we create a workplace in which individuals’ personalities are well respected and their capabilities are allowed to fully develop and prosper.” We respect a diversity of individuals that demonstrate their respective capabilities.

Personal Well-being is realized when professionals have an unrestricted sense of motivation, feeling encouraged to pursue their self-fulfillment. This is exactly why we never stop offering opportunities for personal growth and demonstrations of creativity.



Recruiting

Our member total in FY21 was 15,500, an increase of 6% year-on-year. In addition to regularly hiring new graduates and those who are recently authorized as certified public accountants and other qualifications, we aggressively seek out mid-career talents with a range of working experiences and professional insights. Securing bilingual talents is another focus. Over the past 20 years, we have participated in the Boston Career Forum, a recruiting event specifically designed for students who are studying at universities and graduate schools overseas. During FY21, the Group hired 676 new graduates and other regular recruits, as well as 1,397 mid-career members. In April 2021, Deloitte Tohmatsu was ranked fifth among the most desirable employers in the “Top Companies 2021” survey. The survey was conducted by LinkedIn, a social networking service specializing in businesses.

Training

Despite the COVID-19 pandemic, we continued to offer training opportunities. In-person group training at the time of promotion and other occasions were moved online, while we continued our drive, since introduced in FY20, to expand our offering of E-Learnings courses. Our training curriculum covers a broad range of subjects. Among these, all members and new hires are required to annually enroll in our courses on 1) ethics & integrity, 2) cybersecurity and 3) diversity, equity and inclusion (DEI). Training hours per person in FY21 was 33 hours. In addition, businesses offer a series of programs on topics ranging from business-specific knowledge and updates on sectors and projects to global capabilities. In addition to business-specific courses that are required, many voluntary courses are made available to individuals. During FY21, a new “Journey to Digital Talent” was launched with the aim of developing people who are well versed with both business and digital technology and how it can be utilized in promoting the digital transformation of clients and themselves.



Personal Well-being

Offering opportunities to grow

D-nnovator

Deloitte Tohmatsu Group is growing beyond the traditional concept of a professional firm. We are proposing a bold idea of how economic society and industry in Japan should be shaped. Our vision is that we are to play the role of catalyst to drive the transformation necessary to achieve such an envisioned future. The word “D-nnovation” embodies our determination to transform ourselves to be such a catalyst. One of our activities, D-nnovator, solicits business ideas that are supposed to break through the traditional framework of business from Deloitte Tohmatsu Group members. Ideas selected as the best are supported and incubated by the Group into tangible businesses. More than 100 of these breakthrough ideas were proposed during FY21. After screening by the Group’s executive Committee members, three proposals were approved to be developed into businesses. One of the ideas resulted in the establishment of Deloitte Tohmatsu Science and Technology (“DTST”) in February 2021 as a Group-wide virtual organization. DTST comprises approximately 150 hybrid talents from science study graduate schools, research institutes on science and technology, and research and development departments of large corporations with expertise in both business and science. By aggregating the insights of these hybrid talents, the new organization is well positioned to connect achievements of universities and corporations in the areas of advanced science and technology with the potential needs of society and industries. The goal is to drive innovation and help develop new businesses.



Building mutual empathy and trust Fostering a culture of ethics and integrity

Deloitte Tohatsu believes that Personal Well-being of its members should also be achieved based on empathy and mutual trust among people. The source of Personal Well-being is our common culture of ethics and integrity which should ensure a comfortable and safe workplace, a necessary condition to guarantee Personal Well-being.

Deloitte Tohatsu is urging all members to uphold integrity in everything they do. Recognizing our responsibility to serve the public interest, we never slow down in fostering an organizational culture of acting upon integrity, no matter what the circumstances are. This is how we make the best decisions as professionals.

Deloitte Tohatsu Group's Code of Conduct provides guiding principles as to how we make decisions and act with integrity. All members are required to attest every year to their responsibility of complying with the Code. Ethics Case Book outlines specific examples of how to integrate our Code of Conduct into day-to-day work. The Case Book is used in workshop-style trainings mandatory for all members called "Ethical Culture Change Discussions."

To evaluate how well ethics and integrity are embraced in our culture, we conduct a survey every year among all members. The results are analyzed in detail to develop new measures to implement. It becomes all the more important to uphold the culture of ethics and integrity as we welcome an increasing number of new members as new graduates and mid-career hires while the shift towards group-wide integrated management requires collaboration among businesses. Here are some of the highlights from the "Ethical Culture Change" initiative:

Changing culture

- Created awards to recognize members who demonstrate Shared Value of the Group.
- Partners announced "Manifesto for Behavioral Changes" to be a role model of integrity.
- Taking measures specific to each business, with Business Ethics Leaders and Business Ethics Champions primarily taking the lead with support from the Group Ethics Officer.
- Promoting services available in the Employee Assistance Program to enhance Personal Well-being and individual performances.
- Regularly sending internal messages on ethics from Ethics Officer and the management members.

Enhanced trainings

- Harmonized and updated Group-wide training on topics related to ethics.
- Implementing discussion-based training designed to raise awareness on ethics, such as Ethical Culture Change Discussion and training at the time of promotion.



Building mutual empathy and trust Fostering the culture of ethics and integrity

Promoting Deloitte Speak Up

To support the culture of ethics and integrity, the Group encourages the use of the Speak Up system. This is to create an open work environment for members to feel comfortable speaking up about their concerns and issues without hesitation, even if it is something to do with other members. Deloitte Speak Up works as a common whistleblowing contact for the Group, which is publicized in the intranet and the external website. The management also encourages members to speak up in their internal messages. The trend of reports are periodically analyzed so as to take appropriate measures to further improve the workplace environment. During FY21, we encouraged the use of the Employee Assistance Program and enhanced soft skills training for management level members.

Under the internal rule of anti-retaliation, all reporters are protected so as not to become disadvantaged. An internal investigation team or external professionals, including attorneys and labor and social security consultants, are engaged in the investigation process under the supervision of the Ethics Officer to keep the reports confidential. After an investigation and based on its conclusions, the person in question would receive feedback to be made aware of the issue. This has proved effective in preventing incidents and making necessary improvements.

To enhance credibility, we have endeavored to have Deloitte Speak Up certified by Consumer Affairs Agency for Whistleblowing Compliance Management System (Self-Adaptation Declaration Registration System). In July 2021, Deloitte Tohmatsu LLC, an entity that assumes management and governance of the Group, was officially certified. Other major entities including Deloitte Touche Tohmatsu LLC, Deloitte Tohmatsu Consulting LLC, Deloitte Tohmatsu Financial Advisory LLC, Deloitte Tohmatsu Tax Co., DT Legal Japan, and Deloitte Tohmatsu Corporate Solutions LLC, as well as their main subsidiaries are also expected to receive certification.

Deloitte's annual global Ethics Survey is another indicator of the credibility of Deloitte Speak Up. Here are some highlights of the FY21 survey results:

Results of FY21 Ethics Survey (Highlights)

- 85% of members feel they can report unethical language and behavior without fear of retaliation (from 71% in FY20).
- 91% of members believe that Deloitte Tohmatsu Group takes measures to address reported unethical language and behavior (from 87% in FY20).
- 90% of members believe that Deloitte Tohmatsu Group conduct independent, objective investigations against reported incidents when concerns are raised for unethical language and behavior (new question for FY21).
- 87% of members believe that Deloitte Tohmatsu keeps the report confidential as much as possible, except for disclosing the information to those who need to know for business purposes, when such a report on unethical language and behavior is made (76% in FY20).

Implementing 100% work from home arrangement

All members of the Group were asked to work principally from home throughout FY21 in order to contain the COVID-19 pandemic and to maintain the safety and health of our members. The Group put in place a system to ensure seamless operations in remote working environments while encouraging members to partner with and support each other. As of October 2020, all entities in the Group have work from home capabilities. Working in the office is allowed only when permitted and instructed by the company and needs to follow specific office working rules designed to prevent the spread of infection. As a result, the monthly average percentage of work done in the office in FY21 was 7.6%.



DEI (Diversity, Equity & Inclusion)

Diversity, Equity and Inclusion (DEI) has always been an important management strategy for Deloitte Tohatsu as a professional group. Our source of growth are innovations brought about by people with different experiences and expertise working together. In this respect, Deloitte Tohatsu regards Diversity, Equity & Inclusion as driving forces to create a team that is capable of bringing about innovative ideas and offering services valuable to clients and society. By welcoming and accepting differences of gender, sexuality, race, ethnicity, religion, language and other cultural aspects, as well as the diversity of disabilities, we foster an environment in which all members are empowered to realize their personal growth and demonstrate their potentials. As an example, under the guiding principle “ALL IN,” which is shared with Deloitte Global, the firm empowers women and develops and executes individual talent development plans specifically focused on increasing female representation at management and leadership positions. We also advocate “Panel Promise” to encourage innovative, high-quality dialogues reflecting diversity by achieving balanced gender representations at panel sessions internally and externally.

Adding the idea of Equity to the original concept of Diversity and Inclusion, the Group officially integrated the concept of “DEI” in FY22 and is enhancing its support and opportunities in a way to respect the differences between individuals. For more information on the principles and activities of DEI, please visit [here](#).

During FY21, the COVID-19 pandemic quickly ushered in a new, unconventional way of working. Responding to this, the Group provided the necessary support while ensuring members are able to demonstrate their fullest potentials. Here are some highlights:

1. Personal Well-being in the face of the COVID-19 pandemic

Our Group shifted to a work from home arrangement from March 2020 as the COVID-19 pandemic situation deteriorated. When schools and nurseries were closed or when they asked parents to refrain from sending children, the Group quickly offered supportive measures to help working parents continue their work, such as increasing the amount of subsidies for hiring babysitters.

The Group actively held many online sessions on DEI. A variety of guest speakers were invited to cover many themes, from the empowerment of women, cultural diversity and LGBT+ to working while raising children / taking care of elderly or sick family members. In June 2020, the Group implemented a support scheme against domestic/family violence in response to the increase of such violence under the COVID-19 situation. Our members are well positioned to achieve their Personal Well-being with the Group ensuring their mental and physical health as they face challenging circumstances.

2. Demonstrating members’ unique attributes

Some members with disabilities at Tohatsu Challenged Co., Ltd., our special subsidiary company, had been working in the office break areas refilling coffee and water, as well as in the mail room sorting posted mails. As the Group shifted to a work from home arrangement during the COVID-19 pandemic, the work requirements of Tohatsu Challenged were reviewed and reorganized. During 2021, the staff helped digitalize the mail room operations, accelerating paper-free efforts within the organization. IT training has been extended to the staffs of Tohatsu Challenged, while some have already been supporting the setup of PCs and other administrative tasks leveraging their skills and expertise. Moving forward, more accesses to the computers are to be granted. Members who have developed skills are offered opportunities to move to Corporate function within the Group or switch their scope of work to further develop their capabilities in different fields within the Group. All the Partners and Employees of the Group are required to take “D&I Training: The Obligation to Offer Reasonable Accommodations.” The training is designed to raise awareness of challenges of co-workers and necessary accommodations and to create an environment in which members with disabilities can fully demonstrate their capabilities. At the end of FY21, 94.4% of Tohatsu Challenged members have been with us for more than two years, indicating a positive retention rate.

Cultural Inclusion Workshop has been held in FY21 to raise awareness and mindset for each and every one of the members, especially with the increased numbers of our 685 non-Japanese passport holders. The focus was not merely on visible differences but also on invisible differences such as value, culture, and experiences. The workshop encourages individuals to use differences as strengths and value in the field of business, rather than seeing them as a discomfort, misunderstanding, or an unbridgeable void. More than 10% of the Group members took the training during FY21, with more people expected to sign up.



Societal Well-being

Supporting people faced with challenges

Deloitte Tohmatsu is undertaking many initiatives to contribute to Societal Well-being, which embraces the collective of local communities we belong to.

WorldClass

We have been working on *WorldClass*, a global initiative deployed at Deloitte's global network to bring positive impacts in three areas: education, skills, and opportunities. Our goal for *WorldClass* is to provide opportunities to 100 million people to thrive and grow by 2030. In this rapidly changing global economy, especially with the on-going digitalization amid the Fourth Industrial Revolution, we uphold the spirit of "leaving no one behind," which is a top slogan of the Sustainable Development Goals. The goal of Deloitte Tohmatsu is to make an impact on two million people by 2030. We are proud that we have already made an impact on a total of 367,120 people in Japan over the past four years to 2021.



WorldClass

Volunteering

Due to the pandemic of COVID-19, volunteer activities in FY21 were altered from those held on site and in the office to new virtual activities with many innovative ideas making the shift effective.

One example is to help visually impaired university students with the text data of books, as many lectures became virtual. With the help of Tokyo Volunteer Action Center, Deloitte Tohmatsu helped translate books into text data. Deloitte volunteers check actual books against the text data extracted from scanned images of the books that are processed through Optical Character Recognition and made necessary revisions. People with visual impairment typically use Braille and audio books when reading, but not many books are available. Academic books in Braille are particularly scarce. Text data makes it possible for students to listen to books required for university lectures through audio software. We helped convert “The Protestant Ethic and the Spirit of Capitalism” by Max Weber into text data, which, with the help of the Japan Transliteration Volunteer Network, will be stored in the National Diet Library.

To help people connect during the work from home period, and to improve their health while contributing to a social cause at the same time, the Group organized the “Spring Walking Campaign.” This is part of an initiative, “Maintain your health under the pandemic - Campaign to improve your mental and physical health,” which is rolled out by the NPO Table for Two International (“TFT”). Using a proprietary app of Deloitte Tohmatsu which counts the number of walking steps, participants are given the goal of walking 8,000 steps a day. Depending on the number of people who meet the target, donations are made to TFT which is used to provide school meals in developing countries. The campaign was a solution to some of the issues, as indicated in our survey, that the restrictions during the pandemic have mental and physical effects on our members due to decreased exercise and increased stress. The internal social network program connected participants, allowing them to exchange information and talk about achievements, bringing a positive side effect in terms of expanding communications opportunities in the remote work environment. The program was highly recognized internally and externally. In the Table for Two Awards 2021, which showcased healthy programs and promotion of TFT by companies in support of TFT, our program won the award in the PR category, acquiring some 120 votes mainly from corporate representatives.

Donation

We rolled out a fundraising campaign in June 2020 with the aim of giving financial aid to non-profit organizations supporting people who are the most severely affected by the COVID-19 pandemic. Thanks to the generosity of 500 members, the Group made donations to the Central Community Chest of Japan, NPO Florence, the Japanese Red Cross Society, and NPO Médecins Sans Frontières Japan. The campaign was organized and rolled out entirely online with people working at home as they hosted events to introduce organizations and accept donations. In addition, the scheme of the donation campaign, which uses a payroll deduction function, is highly regarded as an enabler for speedy fund raising and received a Special Recognition for COVID-19 Support in the Japan Fund Raising Awards.

We also raised funds for emergency relief for a flood disaster triggered by heavy rain in Japan in July 2020, local rescue efforts in Lebanon after the catastrophic explosion at the port in the capital city of Beirut, and the critical COVID-19 situation in India. In December 2020, going along with the social movement called “Donation Month: Giving Together,” the Group rolled out a charitable donation campaign with the message of “Make an Impact on Future through Donation.” The campaign resulted in the Group giving funds to seven organizations, including NPO Table for Two International and others.

As part of a cause we have been working on since 2012, our members and legal entities made contributions to the Central Community Chest of Japan to support the scholarship program for orphans of the Great East Japan Earthquake. In addition, matching our social contribution activities in the previous fiscal year, our business entities made donations to WWF Japan’s project in Minami-Sanriku town.

The Group’s total contribution in FY21 was JPY 356,567,348, including the hometown tax donation program as well as corporate contributions to Deloitte Tohmatsu Well-being Foundation, established in April 2021.



Societal Well-being

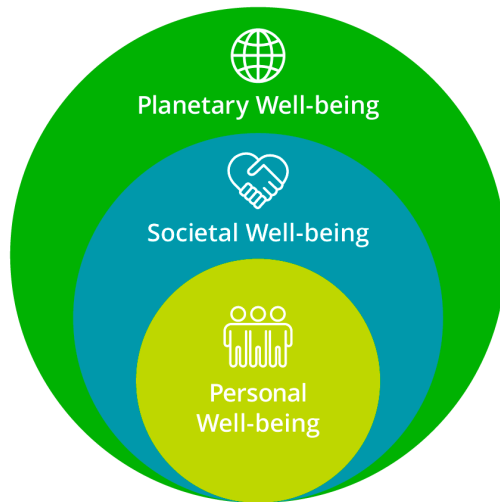
Bringing increased impact of solutions to social challenges by connecting people

Deloitte Tohmatsu is resolved to pursue a collective impact on social challenges, believing that the effort helps enhance Societal Well-being because society is made up as a collective of the local communities we belong to. By bringing together passion, wisdom, and the forces of diverse people, we are well positioned to solve challenges that will bring about a larger societal impact.

As a comprehensive professional firm with offices in Iwate, Miyagi, and Fukushima, three prefectures that were struck by the Great East Japan Earthquake, Deloitte Tohmatsu Group is supporting these communities even today, more than 10 years after the disaster. Because we see people as the key in reconstructing communities and creating jobs, we have focused on developing management talent who are able to lead the community, in addition to supporting reconstruction efforts with our expertise. Building on connections and the knowledge from these reconstruction efforts, we kicked off an internal project to explore how we can create social value from the perspective of the future. With inputs from junior members, the project inspired us to set our aspirational goal of achieving the “Well-being Society,” which is now our guiding principle for everything we do in creating social value.

As part of our effort to achieve the “Well-being Society”, we established Deloitte Tohmatsu Well-being Foundation in April 2021. The Foundation, which is tasked with offering contributions and subsidies and taking part in solving social issues, kicked off its activities in June 2021. The mission of the Foundation is to lead the way in serving the public interest by offering solutions to social challenges. This is how we believe we create more social value. Specifically, the Foundation creates opportunities for education, skill development, and jobs - areas that deal directly with the Well-being of people. For this, we offer contributions and subsidies in addition to implementing projects that are designed to solve social challenges. Our support is extended to: local community challenges; disaster reconstruction; developing countries; sport exchanges; human rights issues; diversity, equity and inclusion; environmental issues; and other projects that serve the public interest.

In August 2021, the Foundation started soliciting project proposals that will receive the first round of subsidies. The subsidies are to support projects designed to help improve the Well-being of people. The aim is to reinforce collective impact in solving social challenges by bringing strengths of different sectors together - corporations as well as non-government and non-profit organizations. To accelerate the effort, the subsidy scheme asks the selected project to have designated supporters from Deloitte Tohmatsu Group or any other organizations who are to facilitate, coordinate and lead the project along the way. We are committed to supporting the selected projects for the mid to long term in cooperation with these supporters, believing that this would help us contribute more in achieving the “Well-being Society.”



Governance



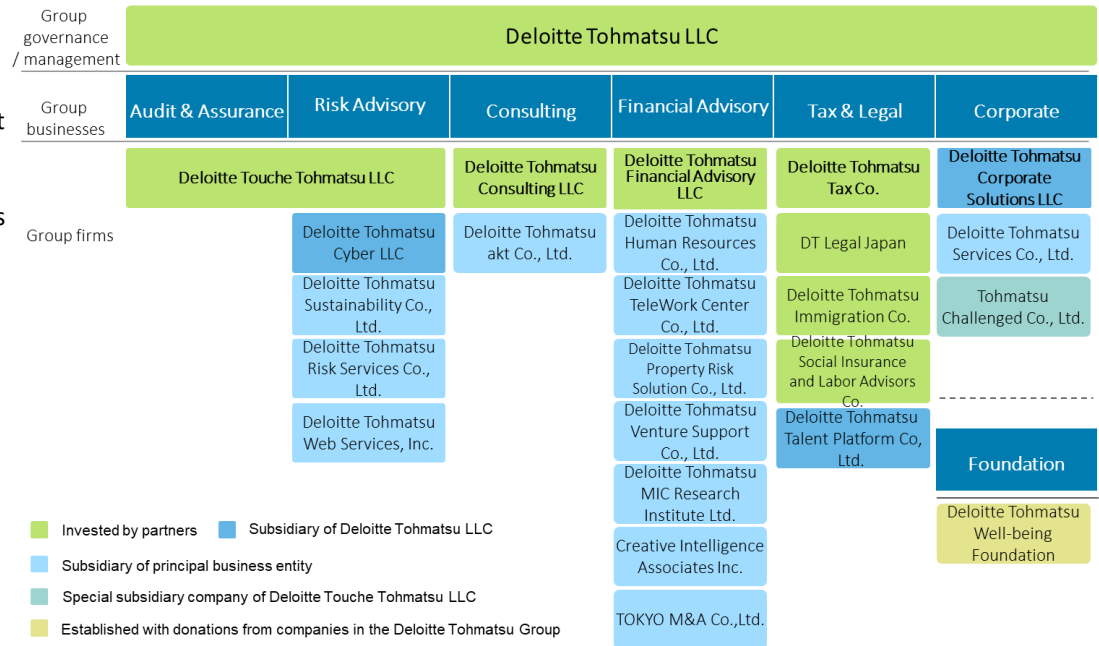
Governance of Deloitte Tohmatsu Group

Deloitte Tohmatsu Group, one of the largest professional groups in Japan, comprises of Deloitte Tohmatsu Group, the entity responsible for the Group’s governance and management, as well as five businesses and a Corporate function. In accordance with applicable laws, legal entities in the Group offer services in the areas of audit and assurance, risk advisory, consulting, financial advisory, tax, and legal.

Deloitte Tohmatsu is funded solely by Partners, who, as capital sponsors, are eligible to take part in making decisions on important management matters. Each professional service firm is incorporated and existing under the laws of Japan, for example, Deloitte Touche Tohmatsu LLC adheres to the Certified Public Accountants Act; Deloitte Tohmatsu Tax Co. to the Certified Public Tax Accountant Act; DT Legal Japan to the Attorney Act; Deloitte Tohmatsu Social Insurance and Labor Advisors Co. to the Act on Public Consultants on Social and Labor Insurance; and Deloitte Tohmatsu Immigration Co. to the Certified Administrative Procedures Legal Specialist Act. Capital sponsors of each legal entity belong to the respective practices as Partners. With mutually executed Group Agreements as a binding force among the legal entities, Deloitte Tohmatsu Group forms a legal structure that also covers subsidiaries of these legal entities.

Corresponding to the Board of Directors of general corporations, Deloitte Tohmatsu LLC established the Board as a governance body responsible for oversight and evaluation of the management body. To select the Group CEO, first the Nomination Committee nominates a candidate to the Board in accordance with internal rules, followed by a resolution of the Board with subsequent approval at the general assembly of the Group’s Partners. The Group CEO represents the Group as the most senior officer in the management structure. Being responsible for leading the Executive Committee, comprised of the leaders of the five businesses and executive officers of the Group, the Group CEO ensures that the Group’s management is aligned with the direction set forth by the Board.

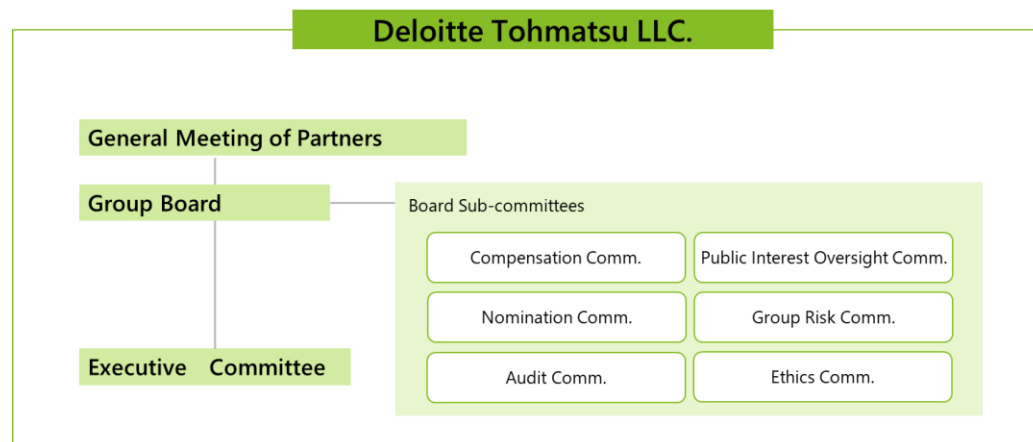
Organizational Structure of Deloitte Tohmatsu Group



Governance of Deloitte Tohmatsu Group

The Board

As a Group that is grounded upon the credibility of audit, Deloitte Tohmatsu Group has put in place a firm governance structure. Based on the partnership governance model, in which Partners of each legal entity are capital sponsors of Deloitte Tohmatsu LLC, within which the Group establishes the Board responsible for management decision making and oversight of business execution. Within the Board, sub-committees on Compensation, Nomination, Audit, Group Risk, as well as Public Interest and Ethics are established to supplement the governance function. The Group Risk Sub-committee gives oversight to the risk management structure that covers all businesses across the Group, whereas the Ethics Sub-committee oversees how the Group fosters a culture of ethics and integrity while complying with the Code of Conduct set forth by the Group.



The Board comprises of the Chair of the Board, councilors, Group CEO and a representative of the audit entity, with female representation at 34.6%. Councilors take primary roles in the Board to ensure the oversight function because no one is involved in business executions except the Group CEO and the representative of the audit entity. In addition, the Reputation Risk Leader, responsible for Group-wide risk management, sits in all Board meetings. Biographies of all members can be found [here](#) (PDF, 638KB, Japanese).

Three independent third-party external advisers are selected as Independent Non-Executives (INEs), who have experience and insight into global management, talent development, financial markets, and accounting/finance to ensure the quality and transparency of the Board discussions. INEs sit on the Board to give advice and recommendations in a way to enhance operation, management and oversight of Deloitte Tohmatsu Group. One INE sits in each of the Sub-committees on Compensation, Nomination, and Audit. The Public Interest Sub-committee comprises solely of INEs to offer advice and recommendations directly to the management from an independent perspective. The Sub-committee evaluates whether the Group establishes and operates an appropriate business management structure in a way to ensure accounting audit that meets the expectation of society and stakeholders. Furthermore, one INE participates in the Ethics and Integrity Sub-committee to give oversight to the management of matters regarding ethics and integrity.



About Deloitte Network



Deloitte Network is one of the largest global networks of professional firms, covering more than 150 countries worldwide with a total of 330,000 professionals, and is a group of independent firms operated in countries around the world. Deloitte Network is constituted from these independent firms as well as Deloitte Touche Tohmatsu Limited (“Deloitte Global”), a private company limited by guarantee which was incorporated in England and Wales.

Deloitte Global

Bound by contractual obligations without having share capital, Deloitte Global is the organizational foundation of Deloitte Network so as for independent member firms to collaborate globally in offering services to multinational organizations. Deloitte Global does not provide services to client organizations. It is governed by the Deloitte Global Board of Directors, while the Deloitte Global Executive sets global strategies, and the Deloitte Global Operating Committee is tasked to help member countries execute strategies. Playing a central role in governance, the Deloitte Global Board of Directors ensures compliance with laws and regulations and secures independence of functions and organizations of firms in each country, while monitoring and supporting execution of global strategies. Deloitte Tohmatsu joined Touche Ross International, a predecessor of Deloitte Global, in 1975 and has maintained a consistent relationship for 45 years. Deloitte Tohmatsu is actively taking part in the global management of Deloitte Global, with Hitoshi Matsumoto, Partner of Deloitte Tohmatsu as well as Chair of the Board of undermentioned Deloitte AP, serving as Deputy Chair of the Deloitte Global Board of Directors, and Yoriko Goto, Chair of the Board of Deloitte Tohmatsu, serving as a member of the Deloitte Global Board of Directors. In addition, Takashi Nagata, Deloitte Tohmatsu Group CEO, is a member of the Deloitte Global Executive.

Deloitte Asia Pacific

Deloitte Asia Pacific Limited (“Deloitte AP”) was established in September 2018 as a private company limited by guarantee incorporated in England and Wales, with the aim of facilitating collaboration among Deloitte practices in the Asia Pacific region. Objectives of Deloitte AP include, among other things, enhancing capabilities of its members* in order to allow them to better serve clients and improve audit quality. Members of Deloitte AP are separate and independent legal entities which cannot obligate or bind each other in respect to third parties and do not exercise control over each other. Members maintain their respective management structures while focusing on enhancing collaboration in the region. The Board of Deloitte AP is responsible for governance while the AP Executive sets strategies in the region. CEOs of each member form part of the AP Executive, thereby making sure strategies are aligned. Deloitte AP does not provide services to clients.

Among Partners of Deloitte Tohmatsu, Hitoshi Matsumoto has been serving as Chair of the Board of Deloitte AP since its foundation in September 2018, and Leo Ishibashi participates in AP Executive as CFO. In June 2021, Nobuo Okubo, Partner of Deloitte Tohmatsu, was appointed Deloitte AP’s Client & Industry Leader.

* Members of Deloitte AP such as Deloitte Tohmatsu LLC and their related entities are separate and independent legal entities and operate under the ‘Connected + Autonomy’ model. This model permits each practice to benefit from the scale and consistency supported by Deloitte AP, while retaining local independence to operate within each firm’s regulatory environment and market in compliance with local laws and regulations. For the avoidance of doubt, members of Deloitte AP are not owned by Deloitte AP or any other members.



Information Security 1

Information Security Policy

Recognizing that safeguarding confidential information is conducive to ongoing and sustainable growth of our business, we protect information assets provided by clients against threats including loss, alteration, breach and misuse. At Deloitte Tohmatsu, we voluntarily adopt the information security policy as well as other rules related to this area (collectively referred to as “Information Security Policy”). When developing and maintaining our Information Security Policy, we make sure that it is aligned with Deloitte Global’s information security manuals while complying with applicable laws and regulations in Japan.

Protection of Client Information

System environments that store client information are designed to follow Deloitte Global’s standard and backed by the most up-to-date information management technologies. Access rights are established for specific client information per contract, limiting access to those who are involved in the relevant client work. Because the information system environment is

rigorously managed by firewalls and because Deloitte firms in other jurisdictions are independent from one another, it is impossible for firms within the Deloitte Network to gain access to another Deloitte firms’ information. Specifically, classified information is managed with the utmost care by coding individual files, whereas handling of highly sensitive client information, for example information related to national security, requires members involved in the work to complete an additional due diligence process, a measure we implemented earliest among our peers.

Organizational Structure Ensuring Information Security

A Reputation Risk Leader (“RRL”) is assigned at Deloitte Tohmatsu, responsible for overseeing information management across the Group. Under the RRL’s oversight, the Group-wide information management structure is established while individual departments are accountable for understanding, maintaining, and managing their own information security. To ensure appropriate information

security risk across the Group, the RRL appoints a Chief Confidentiality Officer (“CCO”) responsible for implementing measures related to information security under the supervision of the RRL. The Group’s Chief Information Officer (“CIO”) is responsible for overall implementation, management, and operation of information systems. The CIO appoints an Information System Manager, who is in charge of Group-wide information systems, as well as an Information Security Manager, who is in charge of Group-wide information security (collectively referred to as “CISO”). The RRL, CCO, CIO, and CISO are independently appointed by Deloitte Tohmatsu while the Information System Team is established within Deloitte Tohmatsu, ensuring independence of the information security framework in Japan from Deloitte Global and Deloitte Asia Pacific.



Information Security 2

Information Security Management and Measures to Safeguard Information

Certified with ISO 27001, an international standard on how information security is managed, Deloitte Tohmatu has established the most advanced information security management structure.

Information is safeguarded through:

- Organizational Measures, including auditing compliance with Information Security Policy, taking disciplinary actions, discontinuing contracts and taking other legal measures in case information is breached.
- Personnel-related Measures, including enforcing non-disclosure agreements at the time of employment and agreeing with outsourcing contracts, requiring third parties related to employees and staff to comply with the Information Security Policy, raising awareness for and ensuring the compliance with the Policy, and offering relevant training.
- Physical Measures, including managing access to work areas through security cards and monitoring by surveillance cameras, setting up a high security area with access limited to certain authorized personnel, and conducting control monitoring.
- Technical Measures, including granting and changing access rights only to personnel relevant to specific work.

Furthermore, the Information Security Policy dictates that the firm has a structure in place to immediately commence necessary investigations in case the policy is violated or is suspected of being violated. Such structure covers:

- Setting up an emergency contact (available 24/7).
- Establishing and ensuring compliance with the incident response procedure by allowing all employees, staff and other related third parties to report any incidents to the emergency contact as they arise.
- Investigating the root cause of the incident, developing and implementing measures to prevent recurrence of the incident, and implementing proper post-event responses.



Information Security 3

Education on Information Security

Recognizing the importance of information security and risks surrounding the Group in relation to this area, Deloitte Tohmatsu develops educational training materials. The purpose is to safeguard client information, protect the Group's information assets, and ensure appropriate handling of personal information. Other training focuses on developing the knowledge and skills regarding how our people and staff should respond to incidents with high information security risk. Some examples of training are:

- On-boarding training for all new members at Deloitte Tohmatsu.
- Mandatory e-learning courses, multiple times throughout the year, to raise awareness on information security and to update any changes to Information Security Policy.
- In collaboration with Deloitte Global, various campaigns to raise awareness, providing updates and alerts via the intranet throughout the year; and
- Regular exercises against phishing threats, in collaboration with Deloitte Global.

Over the course of training and through feedback from our people, additional issues may be identified. Reflecting new findings, the Group is striving to further

strengthen its readiness for information security on an ongoing basis, whether it be revisiting Information Security Policy or developing new training programs.

Information Security Audit

Deloitte Tohmatsu conducts information security audits undertaken by the Internal Audit team. The audit confirms compliance with the Information Security Policy among employees, staff, and third parties and attests whether the Group's information security management structure is properly structured and operated. As an ISO 27001 certified entity, Deloitte Tohmatsu also goes through annual review to maintain its status, conducted by a certification authority independent from our firm.

Ensuring sophisticated cybersecurity based on NIST SP800-171

In response to the growing complication and escalating demands of cybersecurity, Deloitte Tohmatsu emphasizes the most advanced security in offering services to clients. To safeguard information with higher importance and confidentiality in mandates from the Government of Japan, especially with regard to national security, the Group employs even more robust security based on NIST SP800-171.



Independence

With accounting audit, grounded upon public trust, being its original service, Deloitte Tohmatsu believes that independence is essential to our quality management. Standards for independence are shaped by legislation, regulations, professional requirements, and public expectations. Maintaining independence is a professional obligation to which all Deloitte Tohmatsu professionals must adhere to in their service offerings, business relations, employment relations, and financial interests. Deloitte Tohmatsu adopts a robust structure to timely and appropriately respond to issues related to independent quality management procedures and other issues, comprised of the following characteristic features:

- Monitoring the Group's transactions and firms who are required to maintain independence.
- Responding to independence-related regulations and reviewing compliance status.
- Offering training and awareness sessions on independence
- Identifying, analyzing, and taking disciplinary actions against violations of independence rules.
- Evaluating and monitoring business relations.
- Signing and monitoring of contracts.
- Monitoring the audit/non-audit revenue ratio.
- Requiring all professionals to register with Global Independence Monitoring System (GIMS)*.
- Taking preemptive measures to ensure adherence with the independence rule.
- Monitoring individual's financial interests and employment relations.
- Monitoring rotation of Partners
- Accepting consultation at any time.
- Running an internal system in compliance with corporate number identity searching system.
- Conducting an annual attestation of independence.

On some occasions, we serve the same clients in multiple jurisdictions within Deloitte Network. Deloitte Tohmatsu, when considering whether to accept a new client or a new engagement at an existing client, must consider the independence requirements in all applicable jurisdictions. For existing audit clients, Deloitte Tohmatsu must evaluate the independence implications of other firms in the Deloitte Network with that client, including the provision of non-audit services.

*Global Independence Monitoring System (GIMS):

By registering individuals' financial interests, the system works to prevent infringement of independence requirements that may arise from holding restricted stocks. With the purpose of preventing infringement of independence rules, the firm operates Financial Institution Data Import Program (FIDIP) that automatically connects GIMS with information of financial accounts (holdings of financial instruments) from securities brokers and other financial services. The automatic data linkage enabled by FIDIP reduces time required for GIMS registration and prevents errors and delays that may occur while inputting information into GIMS.



Risk Management

Because the business landscape surrounding Deloitte Tohmatsu continues to be volatile and uncertain - with increasing demands from clients and greater scrutiny from regulators and other governmental authorities - we continue to focus relentlessly on Quality and Risk Management (QRM), actively monitoring, strengthening, and improving risk management processes and procedures. Many risks, if they materialize, could impact Deloitte Tohmatsu's ability to achieve its business strategies - including the protection and preservation of its reputation and brand, and delivery of consistent services across the organization. That is why our vigilant Enterprise Risk Framework (ERF) is designed to proactively identify, evaluate, and prioritize risk response as part of managements' agenda.

The Deloitte Policies Manual (DPM) is the central piece of QRM process applicable throughout Deloitte Global. It provides the basis for Deloitte firms to establish and implement globally consistent and rigorous QRM processes and sets forth policies for which compliance is mandatory. The DPM also includes a specific policy requirement for each firm to appoint a senior and experienced Reputation Risk Leader who is responsible for leading their firm's QRM program and structure. At Deloitte Tohmatsu, the Reputation Risk Leader, who is also a member of the Executive Committee, is in charge of maintaining our reputation and implementing risk management practices and responsible for consistently monitoring and overseeing execution and handling of relevant work processes.

Globally shared reviews serve as a critical inspection and monitoring mechanism and are a critical component of Deloitte Network's system of quality control and risk management. Each firm within Deloitte Network 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 Deloitte 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 Deloitte firms.



Commitment to Anti-Corruption

Deloitte Tohmatsu is committed to preventing corruption across the Group. The Group-wide policy manual, “Anti-Corruption Policy,” covers rules and a Code of Conduct designed to prevent any form of corruption, including bribery, while anti-corruption champions are appointed under the Reputation Risk Leader.

Dictated by our Code of Conduct, all our people at Deloitte Tohmatsu are required to make a commitment against any form of corruption. Messages from top management are communicated and trainings are offered, disseminating the above mentioned policy manual, to encourage our people to take specific action.

Anti-corruption efforts are being adopted across the Deloitte Network. The Anti-Corruption Team at Deloitte Global is working closely with Anti-Corruption Leaders in Deloitte firms in Japan and other countries to develop and enhance globally standardized policies and measures related to anti-corruption.

Deloitte is also active in supporting global initiatives against corruption. Deloitte Global is one of the first members of the United Nations’ Global Compact (“UNGC”) as well as the World Economic Forum’s Partnering Against Corruption Initiative (PACI). In Japan, Deloitte Tohmatsu LLC, a local entity responsible for the operation and management of the Group, is a member of the United Nation’s Global Compact Network Japan.



Public Policy

Deloitte Tohmatsu proactively participates in discussions on rule and policy making on some of today's most important socioeconomic challenges. Developing and maintaining meaningful relations with key stakeholders - whether it be investors, regulators, professional bodies, clients, or communities - informs us in the actions we take, focusing on the following areas and themes:

- Pursuing an ideal status of financial reporting ecosystem that ensures credibility and transparency while carrying out full accountability.
- Creating a scheme of inclusive talent development in a way for diverse people to acquire relevant skills and qualifications required to attain meaningful professional opportunities for the future..
- Proposing regulations and rules necessary to respond to rapidly evolving technologies.
- Developing and advocating frameworks to measure how economic society is progressing and evolving.

Backed by insights gained through businesses and collaborations with diverse stakeholders, Deloitte Tohmatsu pursues a consistent and forward-looking public policy agenda.



Performance

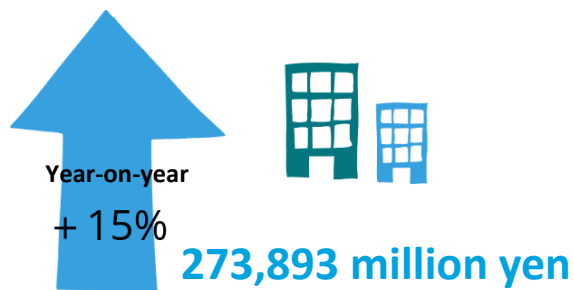


List of Performance Metrics

The Group's quantitative performance in FY21.

Business

The Group's Total Operating Revenue (in million yen)



Investment in Digital Area



AEB *
2,906 million yen

*AEB: Assets Enabled Business. Professional insights and services that have traditionally been managed by individuals are reshaped into digital assets so that challenges are quickly visualized. Accordingly, professionals are well positioned to offer more sophisticated advisory services and support.



Audit Innovation
3,008 million yen

Please find more details on audit innovation [here](#) (Japanese)

Environmental

Greenhouse Gasses (GHG)

GHG Emission (in ton of CO2 equivalent (tCO2e))



The Group Total

7000 tCO2e



Per Person

0.45 tCO2e/人

*Calculated based on the power and air conditioning for the office building, transportation and accommodations during overseas and domestic business trips, the amount of paper used.

Reduction rate in FY21, compared with FY20



-65%

(The Group Total, in tCO2e)



-67%

(Per Person, in tCO2e)



約 60%

Percentage of the office area powered by renewables

Net-zero emissions by 2030

Aligned with the *WorldClimate* initiative, we are committed to achieving the following goals against climate change:

Reducing CO2 emission from air travel and accommodations for business trips by half per person by 2030 compared to 2019

Sourcing 100% energy used in the office from renewables by 2030.

Converting all company vehicles to electric-powered cars.

Making investments in effective market opportunities to supplement our measures to reduce emission as mentioned above.



List of Performance Metrics

The Group's quantitative performance in FY21.

Social

Diverse Talent



15,500

The Group Headcount

676

New Hires

1,397

Mid-career Hires

Pro Bono and Donations



356 million yen

Amount Donated

17,008 hours

Spent on Pro Bono and Volunteer Activities

367,120

People Impacted under WorldClass

Diversity, Equity & Inclusion



33.1%

Percentage of Female Members

10.0%

Percentage of Female Management Members (P and MD)

19.3%

Percentage of Female Management Members (SM and M)



685

Number of Foreign Nationals

69.5%

Percentage of Male Members who took Childcare Leaves



146

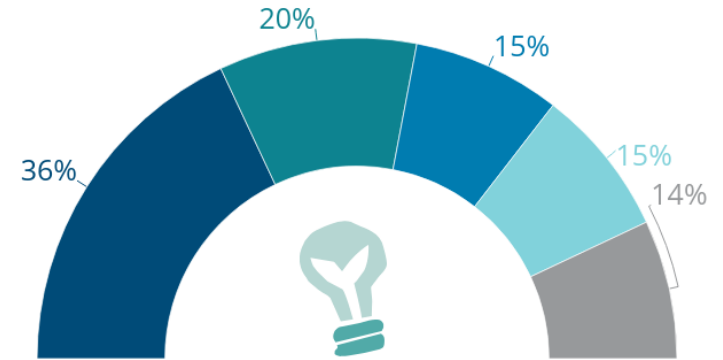
The number of Allies in LGBT Network

94.4%

Retention of Challenged Members

Governance

Breakup of the Board's Agenda



- Strategies
- External Landscape (including Global and AP Management)
- Risks
- Organizational Culture and Ethics

Percentage of Female Board Members



36.4%

*Percentage of male members who took childcare leave:

Percentage of male members with partners giving birth to a child during FY21, who took childcare/childbirth leave, or leave designed to incentivize male participation in childcare

*Retention of challenged members: Percentage of challenged members who have been with the Group for more than two years, as of July 1, 2021.



Deloitte Tohmatsu Group (Deloitte Japan) is a collective term that refers to Deloitte Tohmatsu LLC, which is the Member of Deloitte Asia Pacific Limited and of the Deloitte Network in Japan, and firms affiliated with Deloitte Tohmatsu LLC that include Deloitte Touche Tohmatsu LLC, Deloitte Tohmatsu Consulting LLC, Deloitte Tohmatsu Financial Advisory LLC, Deloitte Tohmatsu Tax Co., DT Legal Japan, and Deloitte Tohmatsu Corporate Solutions LLC. Deloitte Tohmatsu Group is known as one of the largest professional services groups in Japan. Through the firms in the Group, Deloitte Tohmatsu Group provides audit & assurance, risk advisory, consulting, financial advisory, tax, legal and related services in accordance with applicable laws and regulations. With more than 10,000 professionals in over 30 cities throughout Japan, Deloitte Tohmatsu Group serves a number of clients including multinational enterprises and major Japanese businesses. For more information, please visit the Group's website at www.deloitte.com/jp/en.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the "Deloitte organization") serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 312,000 people make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, or their related entities (collectively, the "Deloitte organization") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2021. For information, contact Deloitte Tohmatsu Group.



IS 669126 / ISO 27001

Member of
Deloitte Touche Tohmatsu Limited