



**Deloitte Tohmatsu Group
Impact Report 2023**

Toward a more sustainable, equitable, prosperous world

Deloitte Tohmatsu Group
December 2023

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Note: This report mainly covers the 2023 financial year (June 2022 to May 2023), which we have written as FY23. However, for the initiative and activity trends, we do not limit our examples to those from FY23, instead showing the most recent ones available.



Our value creation

Deloitte Tohmatsu Group's Purpose is "making an impact that matters". This means that we continuously strive in our daily efforts to deliver the results that hold the most value for our clients, society, and our individual members. In recent years, serious social issues in areas such as human rights and climate change are becoming more apparent. Companies and organizations are being called on to tackle solving these issues in addition to constantly creating new value through their business. Along with supporting fair economic activities, we hope to continue contributing to the development of all stakeholders, including our clients, as well as the development of Japanese society.

With 20,000 members, our group is one of the largest professional firms in Japan. We consider our talent to be our most important management resource. The group consists of five businesses and corporate functions: our original accounting Audit & Assurance business, Risk Advisory, Consulting, Financial Advisory, and Tax & Legal. Not only do we have our members hone their advanced expertise in each business, but we also promote collaborative efforts with professionals in other fields. Along with providing services that exceed client expectations, we actively work to contribute to solving the social issues beyond these. By doing this, we fulfil the group's Purpose while enhancing the value of the talent society has entrusted us before giving it back to society.

In order to raise the level of this value creation, starting from the previous financial year (FY23: June 2022 to May 2023), we have established the three values that we would like to create by 2030 from the perspective of working with stakeholders to create a healthy future society (i.e., our Vision2030): Client Value, Social Value, and People Value. Moreover, aiming at the realization of Vision2030, we have made People First into the group's concept for talent development, and place importance on professional talent's self-driven desire for growth and enhance our People Value by offering a wide variety of initiatives and opportunities for achieving such growth. We believe that it is the talent who grow in this manner who will demonstrate one-of-a-kind value for clients and society.

This Impact Report has been updated to a great degree from the previous financial year's edition with our human capital initiatives. At the same time, we also introduce the wide variety of business activities developed by the group, as well as some of our efforts related to climate change and local communities. We also use as much transparency as possible to explain the group's capital ties, which are based on a partnership structure, and our policies and initiatives for areas such as governance and risk management. We greatly hope that this report helps our stakeholders in having a better understanding of the group.

Deloitte Tohmatsu Group CEO

Promoting "People First" with the aim of becoming an organization that is truly one of a kind: Based on "Vision2030", the impact we hope to create by 2030

Deloitte Tohmatu Group has "Making an impact that matters" as our Purpose. Based on this Purpose, we have defined the impact that we hope to create by 2030 from the perspective of working together to create healthy future economies and societies. This impact has been summarized in our Vision2030 as [the three values of Social Value, Client Value, and People Value](#), which are the foundation for all of our activities, both economic and social, and the cornerstone of our concept of value creation. Moreover, we resolve to become a one-of-a-kind organization in order to take this value creation to the next level.

We believe that achieving status as a one-of-a-kind organization is made possible when each individual member is motivated by their own desire to grow and hone their talents, and demonstrate these talents, and where this occurs collectively throughout the organization. Along with clearly defining this state under the Group CEO as "People First", we will use its achievement to provide People Value, which is the value provided to our talent as included in Vision2030. Specifically, we work to build an environment that allows individuals to always have the leeway needed to accept new ideas, and that encourages them to take care to respect others in the same way, learn from each other, and take great strides together. One example is our promotion of our Multi-Disciplinary Model (MDM), in which members from different businesses connected through the common factor of professional service form teams and use their collective strengths to provide client services. Another is our establishment of Deloitte University as an opportunity for talent from both inside and outside of the group to study together. Through these and other initiatives, we work to fulfil our role in creating a stage where individuals can demonstrate their full potential.



People First

This is a place for us to **let our talents** as professionals **shine** and deliver the greatest possible value to our clients. Surrounded by comfortable tension and stimulation, our members can **discover new possibilities** for themselves and **demonstrate their strengths to an exponential degree**. Working here is a source of joy, pride, and can lead to self-actualization. It's a place that allows mutual understanding and respect for everyone's various unique qualities.--

Deloitte Tohmatu hopes to continue being that kind of firm.

Deloitte Tohmatu Group CEO Kenichi Kimura



We have established two executive officers for Talent and Human Resources to perform People First initiatives from FY23, and are promoting activities in three major areas: Fostering culture, Talent development, and Hiring.

Fostering culture	Creating an organizational culture based on our Shared Values that combines high ethical standards, diversity, and individual well-being
Talent development	Providing opportunities to learn diverse contents such as mental and physical wellness and soft skills such as listening and coaching in addition to specialized technical skills, and also providing opportunities for putting these into practice
Hiring	Communicating culture and tasks to our "colleagues" outside of the organization in a way that is easier for them to understand, becoming a firm that is chosen by diverse talent based on their resonance

In the employee satisfaction level survey conducted every year, in addition to individual questions that can be used for policy planning, five questions exemplified by "I feel happy overall" are used to measure "Professional happiness level". As of 2023, this level has trended upward for four consecutive years, and the employee satisfaction level which includes this metric is used as a management indicator in the KRIs.

> [Our People](#) | [Fostering culture, Talent development, Hiring](#)



The Three Values we are committed to creating

Social Value

Along with our ongoing everyday development of our services, by continuing to be an organization with integrity, we will set an example as a public institution for society and improve the trust and credibility of market business activities. Furthermore, we will work together with social sectors to propose and achieve highly sustainable business models, thereby leading to a better global environment and better resources for future generations.

Client Value

We will use our services for providing future agendas accompanied by deeply creative insights and solving complex problems to achieve both continuous growth and establishing society's trust for our client companies. We will also produce next-generation leadership talent that can lead companies in equipping themselves with the required capability for responsiveness to changes and global competitiveness, as well as providing a platform to encourage their success. We will achieve appropriate and competitive economic activities in Japan (and in individual communities) by proposing a vision for future industries and creating rules to realize this vision.

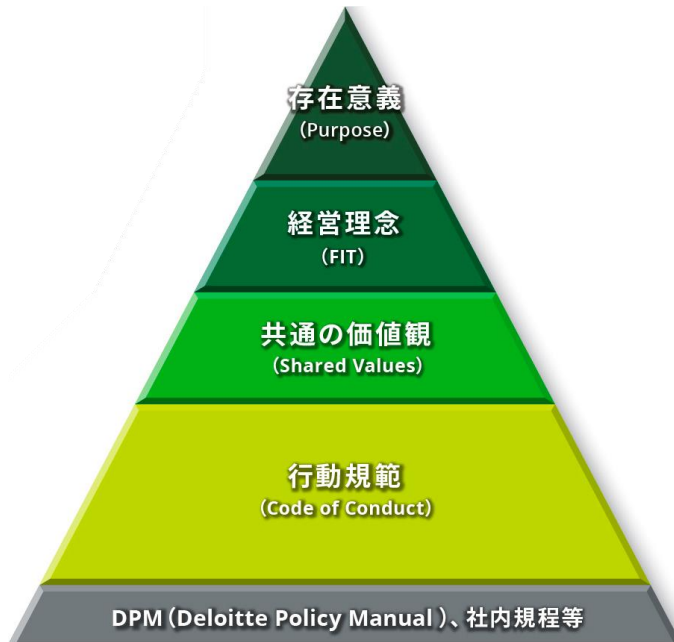
People Value

We believe that value creation as a professional firm where our talent is everything begins with developing an environment where people stay. We have established People First as a state where diverse talent are motivated by their own desire for growth based on our Shared Values, and through People First, we aim to provide a place for a one-of-a-kind career experience and self-actualization. At the same time, by fostering an open, cooperative culture, we aim to help our talented professionals shine with a sense of pride.



Philosophy of Deloitte Tohmatsum Group

Employees and members of Deloitte Tohmatsum 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 Tohmatsum Group.



Deloitte network Purpose: Deloitte makes an impact that matters

We continue to work constantly on tackling the most critical issues for our clients, members, and society. We solve complex problems, facilitate sustainable client growth, and bring unparalleled value backed by our outstanding collective strength. We uphold integrity, build trust and credibility, and contribute to society. Our Shared Values lead us in creating impact that is constructive and unwavering.

Deloitte Tohmatsum Group management philosophy

- **Fairness to society:** Defending socioeconomic fairness and actively contributing to its development
- **Innovation for clients:** Providing comprehensive professional services that exceed client expectations
- **Talent of people:** Creating a place that feels meaningful, where respect is given to the uniqueness of individuals and people can make full use of their talents

Shared Values

- **Lead the way:** Leading the way to achieving the ideal for future professionals, and contributing to creating opportunity for a wide variety of people and to the realization of a sustainable society
- **Serve with integrity:** Working to increase our credibility with clients, regulatory authorities, and the public by firmly upholding our integrity
- **Take care of each other:** Respecting each individual, ensuring fairness, and helping one another achieve growth and well-being
- **Foster inclusion:** Embracing diversity, and fostering an inclusive organizational culture that leverages this diversity as a strength
- **Collaborate for measurable impact:** Aiming to achieve measurable, high-level results, having diverse professionals use a collaborative mindset to work together across international borders and areas of expertise

Code of Conduct

It starts with integrity.

History of Deloitte Tohmatu Group

Since its founding as Japan's first nation-wide audit firm in 1968, Deloitte Tohmatu Group has steadily strengthened its management base and expanded its fields of expertise through numerous mergers, business consolidations and alliances, having grown to become one of Japan's largest comprehensive professional services firms.

2021.4	Established Deloitte Tohmatu Well-being Foundation
2019.2	Opened group's flagship office in Marunouchi, Tokyo
2018.5	50th anniversary of Deloitte Tohmatu Group's foundation
2017.4	Deloitte Tohmatu Corporate Solutions LLC established (now Deloitte Tohmatu Group LLC)
2015.4	DT Legal Japan joined Deloitte Tohmatu Group; group officially named Deloitte Tohmatu Group
2014.4	Deloitte Tohmatu LLC established
2009.7	Became limited liability audit firm, with the name changed to Deloitte Touche Tohmatu LLC
2002.5	Tohmatu Tax Co. established (now Deloitte Tohmatu Tax Co.)
2001.6	Deloitte Tohmatu Corporate Finance Co., Ltd. established (now Deloitte Tohmatu Financial Advisory LLC)
1993.4	Tohmatu Consulting Co., Ltd. established (now Deloitte Tohmatu Consulting LLC)
1990.2	(Audit) Merged with Mita Audit Corporation and renamed Tohmatu & Co.
1990.1	Touche Ross International merged with Deloitte Haskins and Sells International and formed Deloitte Ross Tohmatu International (now Deloitte Touche Tohmatu Limited, or DTTL)
1988.10	(Audit) Merged with Nishikata Audit Corporation and Sapporo Daiichi Audit Corporation
1988.4	(Audit) Merged with Marunouchi Audit Corporation (Nagoya)
1986.10	(Audit) Merged with Sanwa Audit Corporation and renamed Tohmatu Awoki & Sanwa
1975.5	Joined Touche Ross International alliance
1969.9	Sent first expatriate member to Touche Ross San Francisco
1969.2	Renamed Tohmatu Awoki & Co.
1968.5	Established as Tohmatu Awoki Tsuda Tsukada Awoki Uno Kasukabe & Co.

Business

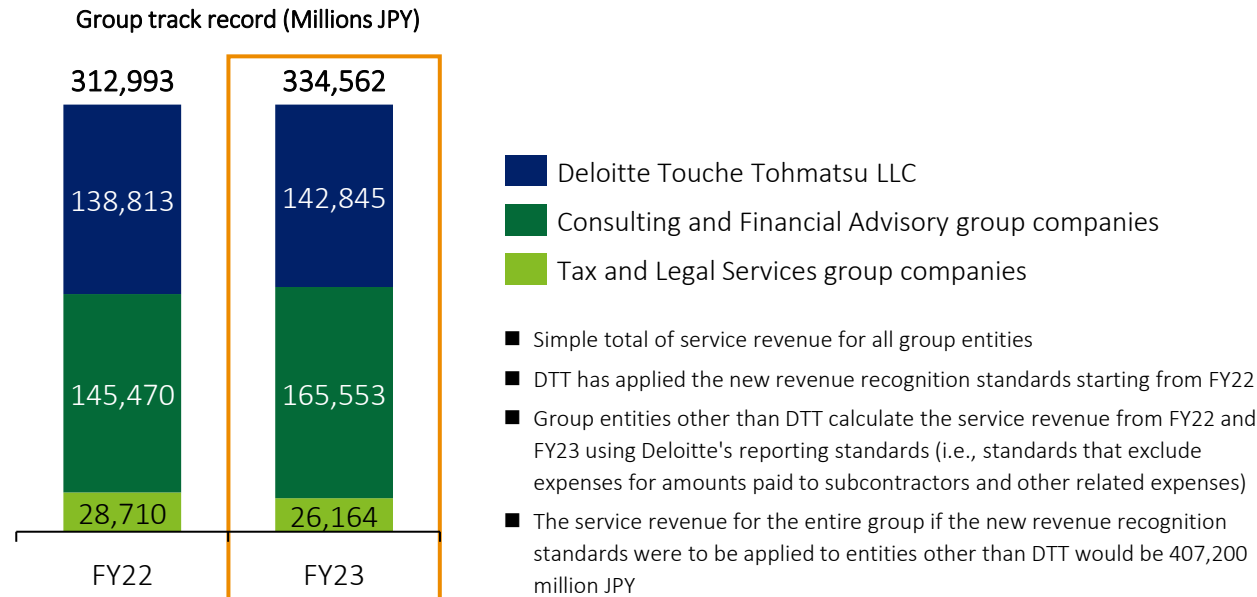


FY23 performance

The overall service revenue for Deloitte Tohmatsu Group in the 2023 financial year (June 2022 to May 2023; henceforth referred to as "FY23") increased by approximately 7% compared to the previous financial year (FY22), totaling at 334,562 million JPY. The breakdown is as follows: DTT (Audit & Assurance and portions of Risk Advisory services) earned 142,845 million JPY (3% increase compared to the previous financial year), the total for group entities such as Consulting and Financial Advisory was 165,553 million JPY (14% comparative increase), and the total for group entities such as DTTAX and DTLJ was 26,164 million JPY (9% comparative decrease).

Investment in digital technologies (AEB, Audit Innovation)

Deloitte Tohmatsu Group has been focusing on establishing a new business model called AEB (Asset-enabled Business). This business model converts the specialized knowledge and services traditionally provided by professionals through a great deal of manpower resources into digital assets. Not only does this allow problems to be seen quickly, but it also allows us to provide more advanced advisory and transformation support services when used in combination with professional advice. Our investment in AEB for FY23 reached 6,910 million JPY. Furthermore, in our audit services, we are moving forward with our "Audit Innovation" efforts, which organically combine technology and professional expertise to provide value-added insights and help lower costs for society as a whole. Our Audit Innovation investment was 5,035 million JPY.



FY23 overview of activities by our five businesses



Audit & Assurance

Audit & Assurance works to accurately grasp the different expectations of a wide variety of stakeholders while providing consistent, high-quality services including audit and assurance services. In our services we work to ensure the credibility of capital markets by addressing accurate corporate financial reporting and improvement of internal controls toward this end. We also cover how to appropriately address reporting of non-financial information such as ESG. In order to continue our contribution to the development of capital markets, we have been focusing on areas such as use of the latest technology like AI, operational transformation, strengthening of global responsiveness, deepening communication with relevant stakeholders, and toward the development of human capital, which forms the foundation of all of these.



Consulting

Consulting works side by side with clients engaging in transformation for every possible aspect of their company such as business models, working style, and internal operations, providing end-to-end support that includes advice, implementation, and operation. In FY23, we worked on developing our in-house environment to expand our knowledge on generative AI, which has been achieving rapid evolution, and we are continuing to strengthen our expertise in this area in order to provide a greater range of support. We will continue to use the alliances we have built with industry leaders such as SAP, Salesforce and Anaplan as a powerful driving force while we expand and strengthen our capabilities in various digital areas, including AI, and continue on with our own self-transformation.



Tax & Legal

Along with reaching a period of recovery from the disruption caused by COVID-19, Tax & Legal has adapted to environmental change by promoting agile business management in anticipation of the great fluctuations in the market environment caused by the emergence of generative AI. We are also expanding our service provision areas that incorporate technology, including services for Pillar Two (global minimum tax) responses and Qualified Invoice System services. We will continue our self-transformation in order to "clear the way to the future through synergies between expertise and technology" while increasing the strength of our social contributions focused on service to our clients.



Risk Advisory

Risk Advisory provides various advisory services to private companies and the public sector based on a wide range of risk management expertise in areas such as corporate governance risk, digital risk, cyber risk, and regulatory risk. In addition to our services for management issues that have been rapidly growing more important in recent years, such as speeding up of clients' digital transformation, expansion of sustainability management including climate change responses, and strengthening of supply chain risk management, we are continuing to strengthen our cyber security-related services given the drastic increase in cyber threats that accompany the progress of digital transformation.



Financial Advisory

Financial Advisory continues to provide support for government economic initiatives and has established capabilities pertaining to government projects and crisis management operations. Along with further strengthening our client reach through accumulation of sector knowledge and promotion of cross-sector activities, we will also expand our service areas, including those for inorganic strategies, thus continuing to expand our end-to-end services corresponding with M&A and crisis management service lifecycles. We also proactively engage in digital asset development and are working to make existing businesses more efficient as well as trying to secure external users to increase revenue.



Structure for providing client services

Deloitte Tohmatu Group believes that the provision of service with value is made possible when we use our organizational capability formed of our diverse expertise and large size to handle our clients' most difficult issues. With this in mind, we are introducing our MDM (Multi-Disciplinary Model), and are incorporating LCSPs (Lead Client Service Partner) and JSG (Japanese Services Group) as mechanisms that make its actualization possible. Our diverse professionals within the group also contribute to providing value for our audit clients.

MDM (Multi-Disciplinary Model)

The collaborative efforts of diverse professionals in the group's five businesses provide comprehensive services that exceed client expectations. Our professionals collaborate through a wide variety of methods, and multiple fields of expertise come together to solve each client's individual issues for agendas such as Industry, DX and GX, providing wide-ranging services that cover everything including advice, implementation, and operation. Not only does MDM enable speedy responses to the increasingly diverse client needs that result from changes in the socioeconomic environment; it can also lead to the creation of new markets.

LCSP (Lead Client Service Partner)

We have established the role of LCSP (Lead Client Service Partner) as the partner who is responsible for overseeing services provided to a specific client. LCSPs are crucial for advancing MDM, as in addition to their role for building and strengthening relationships with the client they oversee, they are also responsible for the appropriate design of the service to be provided while making sure to stay updated with the client's needs and the services available over the entire group.

JSG (Japanese Services Group)

In 1975, we launched JSG (Japanese Services Group) with the objective of providing support for Japanese companies aiming to expand overseas by helping to establish their business base and aiding in their growth. Through its approximately 50 years of history, JSG has solidified its system for having Japanese expatriates and local Deloitte members form tag teams to provide services to clients in various countries and regions around the world. Moreover, having Japanese members and JSG members collaborate to provide unified services to client headquarters and overseas subsidiaries allows us to provide solutions to issues to Japanese companies that cross international and regional borders.



Scene from the annual Global JSG general meeting

Providing value to audit clients

Audit services must address issues such as changes in the business environment surrounding the client, increasingly advanced IT technologies, and increasingly diverse business, and therefore require additional expertise apart from accounting and auditing. In order to conduct the most suitable audit, the group builds teams by selecting audit members from group professionals specializing in other areas such as risk, tax, and finance in addition to the core team formed mainly of certified public accountants. By having diverse professionals from within the group join the audit team, it becomes possible for these professionals to leverage their expertise in specialized areas such as valuation of information systems and their management structure, special actuarial calculations such as pension obligations, valuation of financial instruments, real estate valuation, business valuation, complex tax calculations, fraud investigations, data analytics, and others. This in turn allows us to perform high-quality audits that address a wide variety of risk.

Public interest

All Deloitte Tohmatsu Group activities are supported by our commitment to responsible business. We aim to make broad contributions to public interest not only by doing the right thing ourselves, but also by effectively using our own influence to foster better social norms, and through having the actions of our clients lead to the spread of responsible business practices. We strive to maintain and improve our high quality by always acting on behalf of the public interest and practicing the highest ethical standards when providing professional services in the various fields of Audit & Assurance, Risk Advisory, Consulting, Financial Advisory, and Tax & Legal. Furthermore, in addition to having an INE (Independent Non-Executive) attend board meetings as an independent third-party, the group also uses our Public Interest Oversight Committee consisting only of INEs to help fulfil our role on behalf of public interest and receive advice and suggestions on whether we are sufficiently meeting stakeholder expectations.

Below are some examples of the group's public interest contributions.

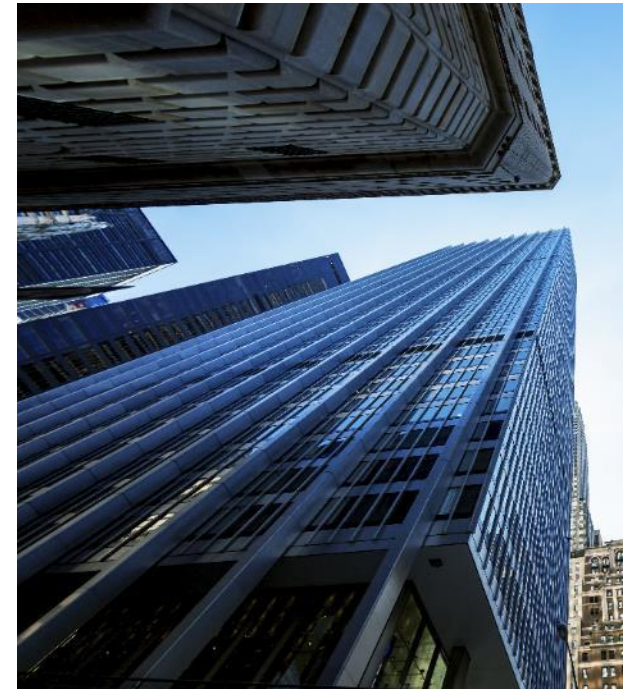
Audit & Assurance

In the areas related to Audit & Assurance, Deloitte Tohmatsu Group offers services that contribute to the public interest by improving credibility and transparency between stakeholders in financial reporting ecosystems. We have made continuous efforts toward enabling capital market systems to function in a healthier manner by acting as an independent auditor to give evidence and express opinions on whether financial statements, internal control reports, or reports based on other regulations have been prepared according to the specified financial reporting frameworks. We are also moving forward with initiatives for continued improvement of audit quality as one of our most important management agenda items, based on our recognition that an appropriate and trustworthy audit process will become increasingly important in efforts to secure investor trust and maintain the continued vitality of the capital market. Our continuous investment in improving the quality of our audits, including our proactive investment in technology, demonstrates our strong commitment to contributing to public interest and increasing society's trust in business and the capital market as a whole.

In recent years, non-financial and sustainability information is attracting attention as an important source of information for investment decisions, and this information is becoming increasingly important with developments such as a portion of sustainability information disclosures being made mandatory in Japan for securities reports. In response to this trend, our contribution to the realization of high-quality disclosures of corporate information in response to stakeholder needs in turn contributes to the development of a healthy capital market.

Tax

Deloitte Tohmatsu Group contributes to ensuring the legal compliance of our clients by providing them with appropriate advice based on rapidly changing and complex tax laws in Japan and abroad. The advice from the group's professionals in the tax field is backed by elements such as high ethical standards, strict quality assurance, expert knowledge, and our Code of Conduct, and is provided in a manner that complies with the laws and regulations applied in the countries and regions that it covers.



Environmental



Just Transition (Business initiatives for the environment)

Leading companies and societies in the transition to carbon neutrality

Deloitte Tohmatsu Group advocates the concept of Just Transition for efforts aimed at transition to carbon neutrality, and strives to show the way to real solutions that encourage transformation of whole socioeconomic ecosystems based on the concept of "leave no one behind", i.e., that we must not create new socially vulnerable populations. For the long-term issue of climate change, we present an ideal to strive for and support proactive transformation efforts by companies and other entities through suggestions and inciting discussions not only on agendas that have already been made clear, but also on advanced global agendas that will become clear in the future. Furthermore, while maintaining the scale and speed of our activities for the group as a whole, we also use collaborative efforts that cross the boundaries between industry, government and academia, and the formation of cross-sector and cross-industry ecosystems to move forward with envisioning and achieving effective transformation.

Advocating for a blue economy

A blue economy is a strategy aimed at achieving development for economic zones while protecting the ocean, and requires the creation of both economic value and social value. The ocean makes up 70% of the earth's surface area, and the protection of its biodiversity is an important global agenda item. Companies are also being expected to promote nature-positive initiatives that reverse trends toward biodiversity loss and instead aim to restore it. Meanwhile, a blue economy is an opportunity for Japan, which has the world's sixth largest potential in terms of ocean area. Monitor Deloitte estimates that the global blue economy-related market will expand from 270 trillion JPY in 2020 to 500 trillion JPY in 2030 and create 100 million new jobs. Growth during this period will exceed 6% per year, almost double the growth forecast for the global economy as a whole. Deloitte Tohmatsu Group advocates the blue economy and aims to achieve a greater impact by providing knowledge and services to private companies, central government ministries and agencies, local governments and other players, as well as to cross-sector and cross-industry consortiums that transcend the boundaries between individual players.



Just Transition (Business initiatives for the environment)

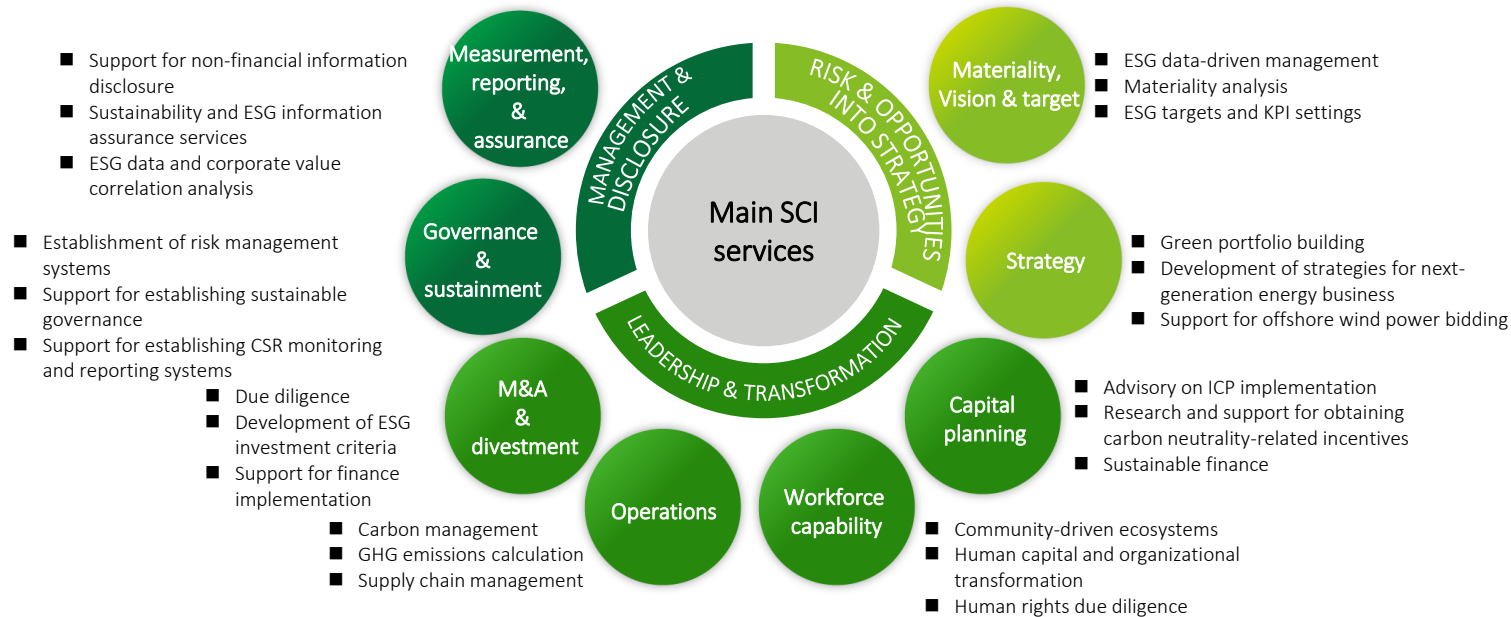
Our wide range of services and cross-group organizations related to climate change

Deloitte Tohmatu Group offers a wide range of climate change-related services, and contributes to expedited solutions for climate change-related social issues by providing clients with support for every possible aspect of their operations. Specifically, we have developed a wide range of services over three areas: the "strategy" area, which includes risk and opportunity analysis; the "transformation" area, which has supply chain management and decarbonization solutions, and "business administration and disclosure" area, which includes governance and non-financial information disclosure.

From FY23, we launched SCI (Sustainability & Climate Initiative) as a group-wide organization aligned with Deloitte Global efforts with the aim of guiding our clients along with path to a more sustainable future. Sustainability & Climate is a matter that Deloitte has made a top priority in its

global agenda, and SCI is an initiative that creates a network spanning national and local borders for collaborative efforts by various countries including Japan that pertain to this topic. SCI functions as a hub from three perspectives: 1) global (i.e., cross-border, cross-region), 2) business function (i.e., collective strength that crosses the boundaries between businesses), and 3) professional (i.e., combinations of advanced expertise). Through the optimal integration of countries and regions, businesses, and expertise, SCI enables the provision of end-to-end services spanning from conception and strategy to implementation and execution. SCI is also preparing to establish a research facility as a strategic function in FY24, which will be put into full operation for researching, inciting discussion, and disseminating information on the blue economy and other advanced agendas.

Map of main Sustainability & Climate-related services



WorldClimate: Fulfilling our role toward achieving a net-zero world in compliance with SBTi criteria

Under [WorldClimate](#), the Deloitte network's shared initiative against the issue of climate change, Deloitte Tohmatu Group has set "Net-zero with 2030 goals", establishing targets such as those shown below for reducing GHG (greenhouse gas) emissions generated through its operations by 2030. These targets are verified through the SBTi as consistent with the "1.5 degree Celsius" targets.

Goal: Net-zero emissions with 2030



- Using FY19 as a reference year, reduce Scope 1 and 2 GHG (greenhouse gas) emissions by 70% by FY30
- Using FY19 as a reference year, reduce Scope 3 GHG emissions from business travel by 50% per FTE (i.e., Full-Time Equivalent; a measure that calculates the number of people working full-time) by FY30
- Work together with major suppliers involved in purchasing goods and services and business travel to establish science-based targets for 67% of these suppliers (based on GHG emissions) by FY25
- Invest in meaningful market solutions for GHG emissions that cannot be eliminated through the above efforts

To achieve these goals, we are working to realize the following additional goals with FY30 as our deadline.

- Have the group's office buildings use 100% renewable energy
- Switch all vehicles in the fleet to Plug-in hybrid and electric vehicles

“ Furthermore, as our next step, we will continue to fulfil our role toward achieving net-zero emissions by setting long-term emission reduction targets that comply with the SBTi standards. ”

WorldClimate: Fulfilling our role toward achieving a net-zero world in compliance with SBTi criteria

Efforts aimed at reducing GHG emissions

■ Office energy use

Deloitte Tohmatu Group holds most of its office space in the Shin Tokyo Building and Marunouchi Nijubashi Building in its Tokyo location. Both buildings are currently introducing renewable energy sources, and approximately 60% of the total area for the group's office space is powered by energy from renewable sources. The group's goal for FY23 was for 100% renewable energy for the total amount of energy used in its offices, and it reduced its GHG emissions by purchasing renewable energy-sourced credits equivalent to the energy used by its offices other than Shin Tokyo Building and Marunouchi Nijubashi from June 2022 to May 2023. It also offset emissions from gas-based energy sources that it used by purchasing credits equivalent to these.

■ GHG emissions from business travel

A large portion of the GHG emissions from Deloitte Tohmatu Group business activities is from business travel, making up 59% of total emissions for the FY19 results. In FY 23, the business travel that the group had previously been holding off

from due to the pandemic saw a steady increase, and while we were able to keep the amount of GHG emissions from use of planes and other transportation during business travel to half the per-FTE amount from FY19, the total amount increased significantly compared to the previous period. In order to drastically strengthen our efforts to reduce GHG emissions from business travel, in FY24, we have continued to move forward with applying a Sustainable Travel Policy shared across the group which establishes rules for setting an appropriate number of business travel and number of companions.

We also continue to implement GHG emissions disclosure for non-business travel emissions in the Scope 3 category in light of their significant impact while working to improve the accuracy of the measurements. For FY23, we disclosed the GHG emissions from our purchased products and services as reference values.

■ Individual empowerment

Deloitte Tohmatu Group also focuses on individual empowerment by promoting climate change awareness and

behavioral changes within the group to every one of the professionals belonging to it, thus encouraging responsible choices by a wide variety of stakeholders outside of the group, including clients. April's Earth Month is a global campaign for thinking about the earth's environment. During this campaign, the group is making efforts to expand participation in volunteer activities for protecting the environment such as river clean-ups, trash pick-ups and collecting of recyclables, by working to increase each member's sense of involvement.



Target category	Reduction target	FY23 emissions	Percentage reduced from reference year (FY19)
Scope 1 and 2 total	Using FY19 as a reference year, reduce emissions by 70% by FY30	2,260 tCO2e	78%
Scope 3 emissions from business travel	Using FY19 as a reference year, reduce emissions by 50% by FY30 (Total emissions amount listed in parentheses as a reference value)	0.443 tCO2e/FTE	62%
		(7,735 tCO2e)	(48%)

Reference: Scope 3 GHG emissions from purchased products and services (FY23) 28,415 tCO2e

Social



Our People

The road to Deloitte Tohmatu Group becoming a one-of-a-kind organization begins with establishing a "People First" environment that achieves a collective state where individual talent are motivated by their own desire for growth. We use these activities to provide value to our talent as established in our Vision2030 ("People Value") and make efforts to continuously improve this value. Here we introduce the activities we have been promoting from FY23 over the three areas of "Fostering culture", "Talent development", and "Hiring".



Deloitte Tohmatu Group CHRO
(Chief Human Resource Officer)
Toshiaki Kashima

Deloitte Tohmatu Group CTO
(Chief Talent Officer)
Rie Okubo

Deloitte Tohmatu Group COO
(Chief Operating Officer)
Tomotaro Nagakawa

Our People - Fostering culture



Fostering culture

Interaction between the three initiatives of Ethics & Integrity, Diversity, Equity & Inclusion, and Personal Well-being

"Ethics & Integrity", "Diversity, Equity & Inclusion", and "Personal Well-being" are the three initiatives rooted in Deloitte Tohmatu Group's Shared Values. The group fosters culture by having these three initiatives interact with each other while promoting them in an integrated manner. The ideal we aspire to is that, rather than rules being needed to bind people, the self-discipline and the sense of fulfillment felt by individuals demonstrating their diverse talents will permeate everyday work and take root as part of our culture. We also believe that the seeds of innovation are created when the professionals that work for our group are able to spend comfortable, stimulating, and fulfilling time with each other while recognizing one another's contributions and the space is created within every individual for new ideas to emerge. Some of those seeds will grow and become a collective whole, thus leading to the growth of business. The foundation for this is the "embassy model" (see ["Human rights", page 25](#) for details) for protecting the human rights of diverse individuals, and we vow to treat all individuals as equals and not permit discrimination despite varying ideologies based on gender, ethnicity or cultural background.



Ethics & Integrity

Aiming to have members grow together and fostering an ethical culture that values the self-discipline which makes this possible

Ethics & Integrity is the element that protects the culture closest to the foundation of People First, leading to the achievement of growth with self-discipline. Deloitte Tohmatu Group aims to make the transition from ethics based on "dos and don'ts" to aspirational ethics, which is ethics for the purpose of achieving something. At the same time, we are proactively undertaking activities for fostering ethics held within each individual which are shared by all members. In order to encourage behavior that is founded not on rule book-based rules, but rather on the sense of correctness that members understand through their own words, we have set time for all partners and staff to discuss ethics by having them participate in an annual workshop on our Shared Values. Besides these efforts, we are developing many other kinds of activities, such as the compilation of our booklet "Kokorozashi (Aspiration)", which is a summary of our organizational ideals (e.g., our Purpose, management philosophy, Shared Values, and Code of Conduct) converted into everyday language, and the Business Ethics Leaders assigned to each individual Business are responsible for ensuring penetration of Ethics & Integrity in the areas they supervise. The level of penetration is measured in the ethics survey conducted annually to analyze and monitor the organizational culture of Ethics & Integrity.

The self-discipline that makes it possible for members to shine in a free environment

Deloitte Tohmatu Group uses an ethics survey conducted once a year to measure the state of its People First foundation. We monitor if behavior is being conducted based on integrity and correctness as well as whether an environment for encouraging this has been established; this is done with the aim of enabling creative growth through having diverse individuals come together and exchange their opinions.

Ethical
culture score

81pt / 100 pt

Our People - Fostering culture

Diversity, Equity & Inclusion

Making growth through cooperation between diverse talent our goal, aiming for creativity-generating inclusiveness that goes beyond establishing of psychological safety and fostering of a sense of belonging, and positioning this as our strategy for growth

Deloitte Tohmatu Group uses three stages to define the inclusiveness that should be secured together with diversity. The two initial stages are "securing of psychological safety", where members can express opinions that differ from others' without feeling anxious about doing so, and "fostering of a sense of belonging", where professionals with various diverse qualities are able to work together toward the same goal. We have defined our inclusiveness goal as "inciting of creative thinking", where inspiration is born from the clash of different opinions, and we are developing various measures to reach this goal after achieving the initial stages. Partners and managing directors act as leaders for this by playing a role in fostering an inclusive environment through 120 minutes of discussion-based training for all of them. Based on this foundation, for gender issues including the Vision2030 goal of achieving a 50% male/female ratio, we have established a men's network where men act to drive women's empowerment and have proactively implemented initiatives for creating "everyday changes" such as Panel Promise, which regulates the gender ratio of presenters at large meetings and events. Through promoting the success of our LGBT+ members and disabled members, for which the name has been changed to Diverse Abilities Members, we aim to achieve cultural transformation that is not limited only to minority groups, but which encompasses the entire group.



Scene from the "Diverse Abilities Internship Program", which performs digital talent development and employment support for students and graduates with disabilities

Percentage of female members

2023 **34.6%**
2030 goal **50%**

We have positioned diversity as a management strategy

We have positioned diversity as the wellspring of our growth, and have made it a part of our management strategy. We have made it our goal to increase our percentage of female members to 50% by 2030, and perform monitoring through the DEI committee held once every two months by the Group CEO and leaders from each business who are responsible for advancing this.

Our People - Fostering culture



Personal Well-being

Raising the level of freedom individuals have to work in the manner they enjoy, and increasing choices for where and when to work with the aim of enhancing performance by encouraging listening and conversation

Personal Well-being in the Deloitte Tohmatsu Group means establishing an inclusive environment where diverse individuals with professional self-discipline work and having them spend time in an enriching manner, including activities outside of work, thus creating space within individual members to generate new ideas leading to innovation. We have established a framework that includes “I’m all ears” training for encouraging listening and conversation, check-ins and coaching, and have been promoting initiatives for helping individuals feel that their work has meaning and has helped them achieve growth and initiatives for ensuring well-being as one connected package. As opportunities for members to work in a way that they enjoy and that lets them be true to themselves, we are currently moving forward with revising policies in order to increase choices for where and when to work, such as implementing workcations in collaboration with local

governments and establishing a Flextime System with no core time set, as well as a Flexible Working Program that enables members to set their own working times with no questions asked. The firm backs various webinar series on physical and mental wellness, as well as group-wide initiatives by volunteer communities. The results of these activities are monitored by the WorldImpact & Well-being Council, attended by the Chair of the Board, which has a governance model established for deciding on initiatives and monitoring progress and results along with environmental and social initiatives.



Scene from workcation monitor tour conducted in Mihara City, Hiroshima Prefecture

Our People - Talent development

Talent development

Providing support for designing skill sets and career plans over the four pillars of learning spaces, frameworks, contents, and practical opportunities

Deloitte Tohmatu Group has a wide variety of talent development initiatives. Opportunities for members to enhance their skills within the group make it possible to assemble a self-improvement plan that is in line with the individual's needs and working style, and we promote these initiatives through a total of four frameworks. In addition to "Fostering culture", and "Specialized skills", there are "Soft skills", which include listening and coaching, and "Wellness", in which members learn about the mind and body.

- **Fostering culture:** Held in a participation-based format including discussion that includes culture-related topics such as ethics and DEI. We have incorporated a great deal of content for better enabling members to move forward through the session while visualizing scenes from their everyday work.
- **Specialized skills:** We provide specialized training for members to acquire a wide range of knowledge not limited to their own field of expertise, such as sustainability, macroeconomic trends, international tax affairs, digital technology and analytics, and corporate finance. The contents, which include training for new members and training for those being promoted, can be taken by module and also retaken. For example, training courses for advisory services such as consulting basics can be selected and taken as a module by a professional in another business. This makes it possible for us to support members in designing the architecture of their own skill sets and careers.
- **Soft skills:** We place emphasis on talent development that draws out talent rather than that which points out issues, which is necessary in the value creation of People Value, and we are putting particular focus on developing the initiative called "I'm all ears" for training listening as a necessary skill for evaluators and coaches. We are pushing forward with our plan to have all our professional members complete this training in the future, starting with our partners, who supervise the work of numerous professionals.
- **Wellness:** We have been developing physical and mental health sessions. We have been implementing programs that provide a casual setting for members to learn, and which include

content such as the mechanisms behind physical changes like menstruation and menopause, lunch programs by doctors including occupational health physicians, how to notice fluctuations in your own mood and tips for self care.

Out of the initiatives that we are currently promoting, the one that we expect to create the most significant impact is Deloitte University, the Japanese establishment of which was decided in July 2023. Deloitte University is a "city of learning" that will include lodging facilities as well as being a research center, and is being planned and moved forward with the aim of becoming a landmark of Deloitte's culture. The programs offered here in the future will also be open to Deloitte professionals from overseas as well as external parties, and it is being developed with the aim of becoming a place in which people can both learn and work at the same time.

Amount toward talent development-related investment

14.94 billion JPY

Investment in learning with the aim of becoming a talent development leader

Along with the decision to establish Deloitte University, we have added investment to learning as one of our quantitative metrics with the aim of becoming a leader in talent development. In addition to economic expenditures, this metric also includes planning for training and running of training, etc., and educational programs provided to external parties as man-hours invested by Deloitte Tohmatu Group professionals toward learning opportunities for themselves and others.

Our People -Hiring

Deloitte Tohmatsu Group performs hiring for the wide variety of talent that is active in the fields covered by its myriad professional services, including talent who have passed the Certified Public Accountant examination, and newly graduated / previously graduated advisory and consulting talent and engineers. As of FY23, Deloitte Tohmatsu Group has approximately 20,000 total members, and approximately 5,000 new members joined the group over the year including new graduate hires, hires with previous social experience, and professionals belonging to companies newly joining the group.

In order to allow development of creative thinking through cooperation by diverse individuals, we are also focusing on establishing diversity that removes the boundaries of educational history and work history. We are actively engaged in the employment of persons with disabilities, which has been renamed Diverse Abilities, as well as in recruitment measures specific to each field. Examples include the publication of the Inclusive Recruiting Guideline and the Diverse Abilities Internship Program.

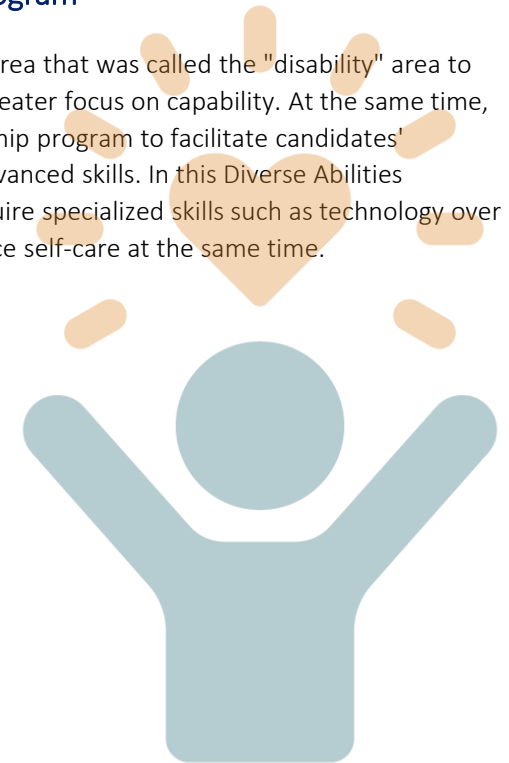
Inclusive Recruiting Guideline

Hiring interviews are an important contact point with job candidates. We have prepared an Inclusive Recruiting Guideline for choosing candidates and for being chosen during these interviews from the perspective of both the interviewer and the candidate and are striving to achieve its penetration. This guidebook uses opinions on interview experiences gathered from candidates to summarize and share elements from what is considered to be a good interview along with common mistakes. We also update the guidebook regularly. We aim to have the time interviewers and candidates spend together also be a good experience for moving along discussion, no different from any other workplace situation.



Diverse Abilities Internship Program

We have changed the name of the area that was called the "disability" area to "Diverse Abilities", which places a greater focus on capability. At the same time, we have started a pre-hiring internship program to facilitate candidates' activities in areas requiring more advanced skills. In this Diverse Abilities Internship Program, candidates acquire specialized skills such as technology over a longer timeline and learn workplace self-care at the same time.



Human rights

Deloitte Tohmatu Group adheres to the International Labor Organization (ILO) Five Fundamental Principles and Rights at Work: freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, the effective abolition of child labor, the elimination of discrimination in respect of employment and occupation, and a safe and healthy working environment. We have also established a group-wide policy on human rights, and have established systems such as Deloitte Speak Up (i.e., a system for the appropriate handling of matters for consultation, including a reporting office) to support and respect the protection of the human rights of our members. Of these, we place particular focus on promoting Diversity, Equity & Inclusion (referred to hereafter as "DEI") to enable our members to reach their full potential regardless of gender, nationality, sexual orientation, gender identity, culture, religion, values, disability, or any other differences.

The group is unique in that we incorporate the latest international standards for human rights concepts and initiatives through our alliance with the Deloitte global network. The "embassy model" that Deloitte has adopted worldwide establishes the principle that individuals in any country or region of the world are to be treated equally within the Deloitte network and discrimination is not permitted, and that everyone must be subject to the same rules and systems, regardless of gender differences or ethnic or cultural backgrounds that may lead to different ideologies. For example, we work quickly to introduce measures to eliminate inequalities in benefits and paid leave for LGBT+ couples. We also continue to express our own support for DEI initiatives while working to expand our partnerships beyond the group, such as through our endorsement and alliance with "The Valuable 500", an international campaign dedicated to promoting the success of people with disabilities.

We are also strengthening our efforts to communicate our pioneering initiatives to society. With domestic violence becoming an increasingly serious social issue, the Act on the Prevention of Spousal Violence and the Protection of Victims was amended to include psychological violence as well as physical violence (2023 establishment, 2024 enactment), and the group has established systems for supporting partners and staff who are victims of domestic violence. Our Domestic and Family Violence (DFV) system introduced in June 2021

targets violence in a wide range of intimate relationships, including parents and children, and adopts methods for introducing external support organizations and for having the firm bear the costs for this. Specific support includes consultation services by e-mail, telephone or in person, accompanying the victim in carrying out police or court procedures, and arranging for accommodation at an emergency shelter in more than 100 locations throughout Japan. In addition, a leave system has been established to help people recover from criminal damage, including damage from domestic/family violence. Specific support includes consultation services by e-mail, telephone or in person, accompanying the victim in carrying out police or court procedures, and arranging for accommodation at emergency shelters in over 100 locations throughout Japan. In addition, a leave system has been established to help people recover from criminal damage, including damage from domestic/family violence. By presenting our knowledge related to these areas at NPO seminars and other events, we set an example of how corporate involvement can facilitate solutions.



Contributing to the building of a well-being society (WorldClass and DTWB)

Deloitte Tohatsu Group has established a **well-being society*** as the ideal image we envision for the future. We also believe that the group can make an even greater contribution to building a well-being society by acting as a public institution to provide beneficial value to society, while having the people and capital entrusted to us by society be the wellspring for our activities.

*A well-being society consists of three levels: the level of the individual, starting with each of us (Personal level); the level of society, which is the collective body formed by the local communities to which we belong (Societal level); and the level of the global environment, which is the foundation of both of the former (Planetary level). A well-being society is one in which all people participate actively and share and feel the benefits of these efforts.

WorldImpact & Well-being Council

The *WorldImpact & Well-being Council* is formed by the Deloitte Tohatsu Group CEO and Chair of the Board, and also includes related Board members and group executive officers. Working groups have been established with the *WorldImpact & Well-being Council* at their core to promote key initiatives such as *WorldClass* and *WorldClimate*.

Deloitte Tohatsu Well-being Foundation, which makes donations and grants toward projects by NGO/NPO that improve the well-being, has also been added to the list, creating a system in which the various initiatives developed to build a well-being society are promoted in close and organic association with the business activities of the entire group.



WorldClass

WorldClass

With the worldwide collaboration of the Deloitte network, [WorldClass](#) is an initiative that aims to make a positive impact in the areas of education, skills development, and opportunity creation. [WorldClass](#) provides opportunities for people to be successful and grow, thereby contributing to societal well-being (i.e., at the level of society, which is the collective body formed by the local communities to which we belong). It counts its impact through the recognition it receives for these contributions by their beneficiaries and the non-profit organizations that represent them (i.e., the number of people). Deloitte Tohatsu Group has made it our goal to have a positive impact on two million people by 2030, and by FY23, we have succeeded in providing an impact to a cumulative total of 778,125 people. In order to effectively create even greater impact, we are also strengthening collaborative and cooperative efforts with various external stakeholders, including government agencies, educational institutions, NPOs and NGOs. At the same time, we are working to ensure the sustainability of our efforts by encouraging the active involvement of our in-house talent while expanding the scope of our activities and using wide variety of forms to advance initiatives, including donations, volunteer work, pro bono support, sponsorships, and collaborations.



Scene from the "Deloitte Tohatsu Well-being Match Day" held at the match venue for FC Imabari (J.LEAGUE), which Deloitte Tohatsu Group supports as a social impact partner.



Contributing to the building of a well-being society (WorldClass and DTWB)

[Deloitte Tohatsu Well-being Foundation](#)

Deloitte Tohatsu Well-being Foundation (DTWB) uses donations and grants as methods to support organizations working to solve difficult social issues. The "Using Collective Impact to Promote Solutions for Social Issues" grant program focuses on "collective impact", which aims to solve problems with greater social impact by having a wide variety of people form connections and bring together their enthusiasm, knowledge, and manpower. The program aims to further maximize impact by using grants to communities composed of multiple organizations. The program is also characterized by its requirement for setting up a "running partner" who will support the community's activities over the medium to long term by providing knowledge and know-how that are lacking in the implementation of the project. "Running partners" can also be set from within the group if necessary; the program aims to achieve contributions that go beyond the economic aspect, also incorporating professional experience and knowledge.

In the second round of the grant program held in FY23, two new grant program categories were established: the Societal Well-Being grant program for organizations that are involved in solving social issues with a focus on the "[WorldClass](#)" initiatives of education, skill development, and job opportunity creation; and the Planetary Well-Being grant

program for organizations that are involved in solving social issues with a focus on circular economy, carbon neutrality, conflict resolution, and disaster management. Twelve organizations were selected for the grants, with importance placed on the three areas of affinity with DTWB's purpose for establishment and activity contents, business feasibility over the medium to long term, and potential for creating societal impact.

In May 2023, the first of DTWB's efforts, "Collective Impact Forum 2023: The collective enthusiasm, knowledge, and manpower from passionate people working together", was held. This was a forum aimed at the mutual establishment of organic relationships between organizations and people making efforts toward spreading well-being around the world by having them come together in a well-being oriented setting facilitating open-minded discussion; a total of approximately 80 participated here.



Scene from "Collective Impact Forum 2023: The collective enthusiasm, knowledge, and manpower from passionate people working together"



Governance



Deloitte Tohmatu Group governance

The group governance of Deloitte Tohmatu Group is based on partnership governance, in which the partners who are investors participate in decision-making for important matters in the group's management. In Deloitte Tohmatu LLC, a Board equivalent to an ordinary company's Board of Directors has been established as a group governance body in addition to this.

The Chair of the Board is the head of Deloitte Tohmatu Group governance, and is responsible for running the Board, which is the group's management decision-making body.

The Group CEO represents the group as the person with ultimate authority in the management body, and is also in charge of managing the group as a whole under the policies determined by the Board by leading the Executive Committee, which consists of leaders from the five Businesses and group executive officers. The Group CEO is selected by having the Nomination Committee recommend candidates to the Board based on group rules, and the selection is made following Board discussion based on approval from the General Meeting of Partners.

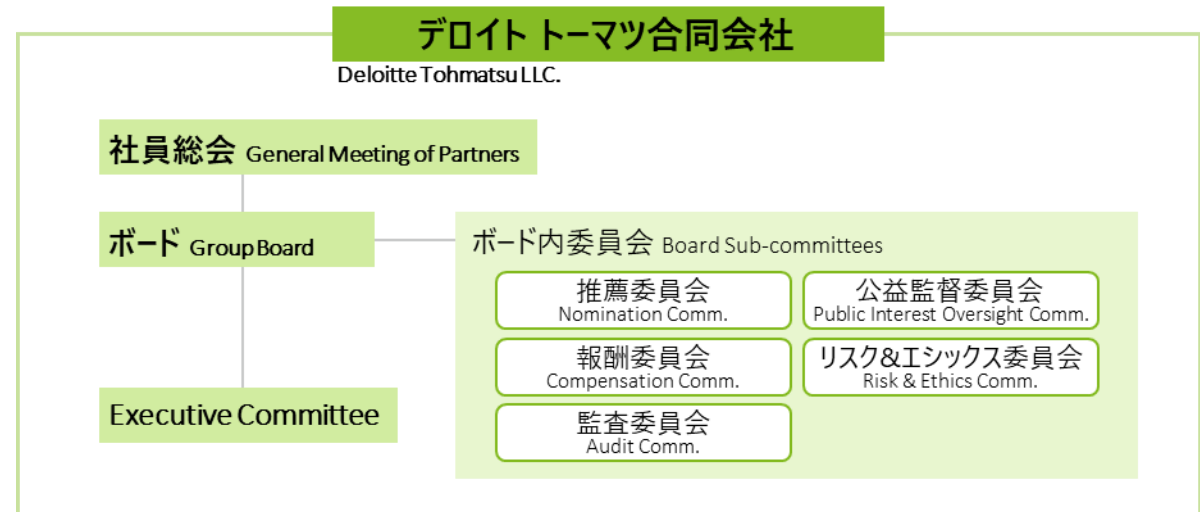
The Group Board is made up of the Chair of the Board, Board members, Group CEO and Deloitte Touche Tohmatu LLC CEO. While the Group CEO and DTT CEO are also present on the Board, the Board members, who do not participate in executive functions, form its core; through this, we aim to strengthen its supervisory function. Additionally, the Reputation Risk Leader (RRL), who is responsible for the risk management of the entire group, attends every session of the Board. The percentage of female Board members is 41.7%, thereby ensuring diversity in the Board's discussions.

We also ensure the effectiveness of the governance function by establishing the Nomination Committee, Compensation Committee, Audit Committee, Public Interest Oversight Committee and Risk & Ethics Committee as Board Sub-committees.

We strive to enhance the quality and transparency of Board discussions by selecting three Independent Non-Executives (INEs) for the Board to act as independent third parties with experience and knowledge in areas such as global management, talent development, financial markets, accounting, taxes, and digital technologies. The INEs attend Board sessions and provide advice and suggestions for the group's operation and management systems, as well as for enriching its supervisory function.

Furthermore, besides having one INE in attendance at each of the Nomination, Compensation, and Audit Committees, we also have a Public Interest Oversight Committee formed solely of INEs. This Committee uses a public interest perspective to supervise and evaluate the initiatives that the group must implement in order to meet the expectations from society and stakeholders.

Deloitte Tohmatu Group governance structure



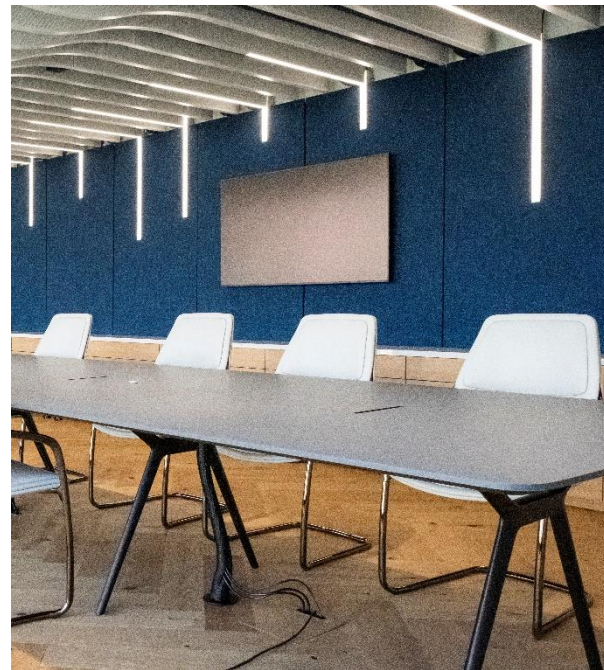
Deloitte Tohmatu Group governance

The Board is responsible for supervision and evaluation of the Executive Committee (i.e., the group's management function), and this responsibility also includes monitoring of the status of progress for the Executive Committee's goal of Vision2030. The FY23 agenda items discussed by the Board are as follows: "Strategy" (31%); "Management infrastructure and organizational infrastructure" (29%); "Risk" (19%); "Organizational culture and ethics" (11%) and; "External environment (including matters related to Deloitte Global and Asia Pacific)" (10%). The Board organizes communication through discussion events and e-mails to

share the status of overall group governance and management with its partners in a highly transparent manner. In FY23, in addition to the Partners Meeting, in which information such as group management policies is shared over the course of a day, seven sessions of the Townhall Meeting for all partners were held. Furthermore, Straight Talk sessions were established as a place for mutual exchange of opinions and opinion hearings between partners, and were held three times during the year.

You can view the profiles of the Board members here: [List of members](#)

Board Sub-committee roles



Nomination Committee	<ul style="list-style-type: none"> ■ Recommends candidates for Chair of the Board, Board members and Group CEO ■ Supervises succession planning implementation status
Compensation Committee	<ul style="list-style-type: none"> ■ Evaluates Chair of the Board and Group CEO and decides on compensation ■ Supervises the decision-making process and operation of systems for partner compensation
Audit Committee	<ul style="list-style-type: none"> ■ Supervises the execution of duties by the Group CEO and various executive officers
Public Interest Oversight Committee	<ul style="list-style-type: none"> ■ Uses a public interest perspective to supervise and evaluate the initiatives that the group must implement in order to meet the expectations from society and stakeholders
Risk & Ethics Committee	<ul style="list-style-type: none"> ■ Supervises the risk management systems for all group operations, supervises the status for fostering a culture valuing ethics and integrity and the status of compliance with the Code of Conduct

Deloitte Tohmatu Group structure and capital ties

Deloitte Tohmatu Group has its origins in "Tohmatu Awoki Tsuda Tsukada Awoki Uno Kasukabe & Co." (now Deloitte Touche Tohmatu LLC), which was established in 1968 as Japan's first audit corporation operating at a national scale. Led by Nobuzo Tohmatu, it was founded by the partners who were the firm's investors and responsible for carrying out its management based on the shared conviction that world-class financial auditing was essential for Japan's post-war economic recovery.

Following this, in 1993, Tohmatu Consulting Co., Ltd. (now Deloitte Tohmatu Consulting LLC) was established, and Deloitte Tohmatu Corporate Finance Co., Ltd. (now Deloitte Tohmatu Financial Advisory LLC) was established in 2001. In 2002, an amendment to the Certified Public Tax Accountant Act made it possible to establish a tax corporation operating at a national scale, and Tohmatu Tax Co. was born (now Deloitte Tohmatu Tax Co.). In this way, a wide range of professionals in addition to our Certified Public Account members have come to join our group along with the expansion of our operations to provide a full range of services related to the management of Japanese companies.

In 2014, we established Deloitte Tohmatu LLC, which became the foundation for advancing and strengthening the group management of these diverse professionals. In the following year, Deloitte Tohmatu Consulting Co., Ltd. and Deloitte Tohmatu Financial Advisory Co., Ltd. became Limited Liability Companies, and Deloitte Tohmatu Risk Advisory Co., Ltd. also became an LLC in 2023, thereby reorganizing these into a corporate structure in which the partners become investors and perform business management. This reorganization also positioned these entities at the same level as DTT.

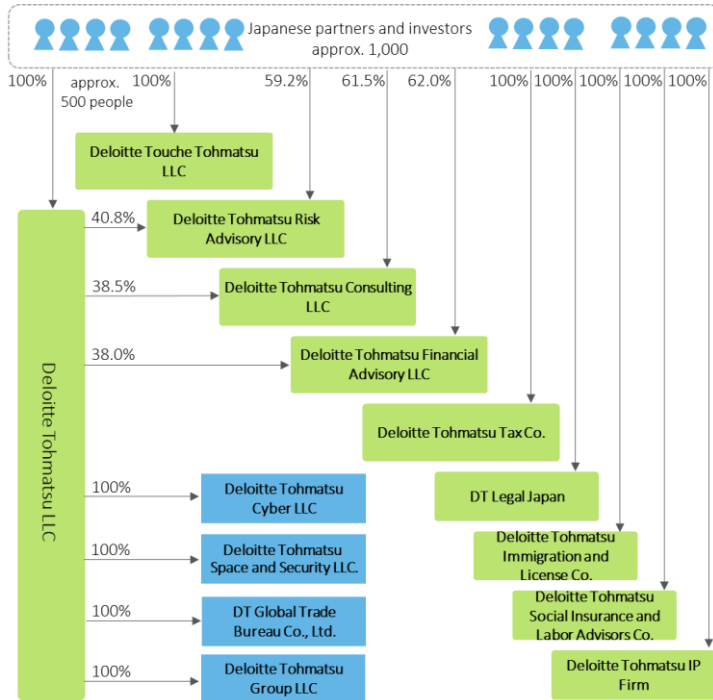
In its current state, Deloitte Tohmatu Group is formed of Deloitte Tohmatu LLC, which is responsible for group governance and management; the five businesses of Audit & Assurance, Risk Advisory, Consulting, Financial Advisory, and Tax & Legal and; its corporate functions. The business entities belonging to each business provide professional services in accordance with their respective applicable laws and regulations, and work as a professional group with diverse areas of expertise to enhance the value they provide to stakeholders.



Deloitte Tohmatsu Group structure and capital ties

Since its foundation, investment in Deloitte Tohmatsu Group has been carried out solely by the partners that are its members. The current total number of partners is approximately 1,000; of these, 500 invest in Deloitte Tohmatsu LLC as group partners. All of the group entities are completely owned, directly or indirectly, by their member partners, and do not receive capital from external parties, including that from Deloitte entities outside of Japan. In order to ensure unified operation as part of the group for the entities in which the member partners invest, a mutually concluded group agreement is used as the foundation for creating a legal organizational structure which also includes the entities' subsidiaries.

Deloitte Tohmatsu Group capital ties
(as of December 2023)



- All of the Deloitte Tohmatsu Group entities that have been omitted in this diagram are wholly owned subsidiaries of the entities which have been included.
- Japanese partners include those who invest in both Deloitte Tohmatsu LLC and the entity to which they themselves belong, and those who only invest in the entities that they are members of.

Deloitte Tohmatsu Group entities and organizational structure
(as of December 2023)

Group governance / management		Deloitte Tohmatsu LLC					
Group businesses	Audit & Assurance	Risk Advisory	Consulting	Financial Advisory	Tax & Legal	Corporate	
	Deloitte Touche Tohmatsu LLC	Deloitte Tohmatsu Risk Advisory LLC. Deloitte Tohmatsu Cyber LLC Deloitte Tohmatsu Web Services, Inc. Deloitte Tohmatsu LHIT Data Visionary Co., Ltd.	Deloitte Tohmatsu Risk Consulting LLC Deloitte Tohmatsu akt Co., Ltd. Deloitte Tohmatsu Node LLC Deloitte Tohmatsu RippleMark LLC	Deloitte Tohmatsu Financial Advisory LLC Deloitte Tohmatsu UnsungHeroes Inc. Deloitte Tohmatsu Human Resources Co., Ltd. Deloitte Tohmatsu Telework Center Co., Ltd.	Deloitte Tohmatsu Tax Co. DT Legal Japan Deloitte Tohmatsu Immigration and License Co. Deloitte Tohmatsu IP Firm DT Global Trade Bureau Co., Ltd.	Deloitte Tohmatsu Group LLC Deloitte Tohmatsu Services Co., Ltd. Tohmatsu Challenged Co., Ltd.	
Group firms		Deloitte Tohmatsu Space and Security LLC					
		Deloitte Tohmatsu km2y Co., Ltd. Deloitte Tohmatsu Sustainability Co., Ltd. Deloitte Tohmatsu Product & Technology Co., Ltd. webrage CO.,LTD. SPI K.K. SPI Interactive K.K. SIMPLE BUSINESS SOLUTIONS K.K.		Deloitte Tohmatsu Property Risk Solution Co., Ltd. Deloitte Tohmatsu Venture Support Co., Ltd. Deloitte Tohmatsu MIC Research Institute Ltd.	Deloitte Tohmatsu Talent Platform Co., Ltd. Deloitte Tohmatsu Social Insurance and Labor Advisors Co.	Foundation Deloitte Tohmatsu Well-being Foundation	

Note: Among services in Risk Advisory business, services related to Audit and Assurance business are conducted by Deloitte Touche Tohmatsu LLC.

Deloitte Tohmatsu Group is formed of Deloitte Tohmatsu LLC, which is responsible for group governance and management; the five businesses and; its corporate functions.

Deloitte network

Deloitte network is one of the world's largest global networks of professional firms. It is a collective body of independent firms operating in more than 150 countries and regions worldwide, with a total of approximately 457,000 members. Deloitte network is formed of firms operating in these countries and regions and Deloitte Touche Tohmatsu Limited (i.e., Deloitte Global), a private company limited by guarantee, incorporated in England and Wales.

Deloitte Global

Deloitte Global is the organization forming the foundation for a global network (i.e., Deloitte network) based on agreements without investment, thereby making it possible for independent firms to work together globally to provide services to multinational corporations. Deloitte Global does not perform services to clients. Deloitte Global has the Deloitte Global Board of Directors, which is responsible for its governance function, the Deloitte Global Executive Committee, which develops global strategies, and the Deloitte Global Operating Committee, which translates strategy into execution for each country's firms. As the cornerstone of governance, Deloitte Global Board of Directors is responsible for monitoring and supporting the implementation of global strategy while maintaining its commitment to compliance with applicable laws and regulations for the firms in each country and region and to functional and organizational independence. Deloitte Tohmatsu Group joined the alliance with Deloitte Global's predecessor, Touche Ross International, in 1975, and has built a consistent relationship with them for approximately 50 years up to the present day. Currently, Japanese participation in Deloitte Global management includes the group's partner, Junko Watanabe, who is a member of the Deloitte Global Board of Directors as well as the Deputy Chair of Deloitte AP, which we will describe later. Group CEO Kenichi Kimura also participates as a member in the Deloitte Global Executive Committee.

Deloitte Asia Pacific

Deloitte AP (Deloitte Asia Pacific Limited) is a private company limited by guarantee, incorporated in England and Wales in September 2018 for the purpose of Deloitte's collaborative efforts in various professional service areas in the Asia Pacific region. In particular, it aims to expand its members'* client services and promote further improvements in audit quality. Deloitte AP members work to strengthen collaborative efforts in the region while maintaining their traditional management structure, where they are legally independent and separate organizational bodies who will not impose obligations on or have the power to bind each other in relationship to third parties. Deloitte AP Board is responsible for the governance function, AP Executive Team develops strategies for within the region, and each member's CEOs belong to the AP Executive Team to facilitate alignment of strategies. Deloitte AP itself does not provide services to clients.

The group's partners on the Deloitte AP Board include Junko Watanabe, who has been the Deputy Chair since June 2022, and Haruko Nagayama and Kazuhiro Fukushima, who are members. Partners on the AP Executive Team are Nobuo Okubo and Hidehito Goda, who participate as Chief Growth Officer and Audit & Assurance Leader, respectively. Group CEO Kenichi Kimura is also a member of the team.

*Deloitte AP members, including Deloitte Tohmatsu LLC and its related entities, are legally independent and separate organizational bodies which operate under a framework for "collaboration and autonomy". This framework makes it possible for Deloitte AP members to maintain their independent operations in compliance with the local laws and regulations in the markets and regulatory environments in their respective countries and regions while enjoying the benefits of scale and consistency that come through Deloitte AP membership to develop their activities in various fields of expertise. Deloitte AP members are not owned by Deloitte AP or any other Deloitte AP member.

Information security

Information Security Policies

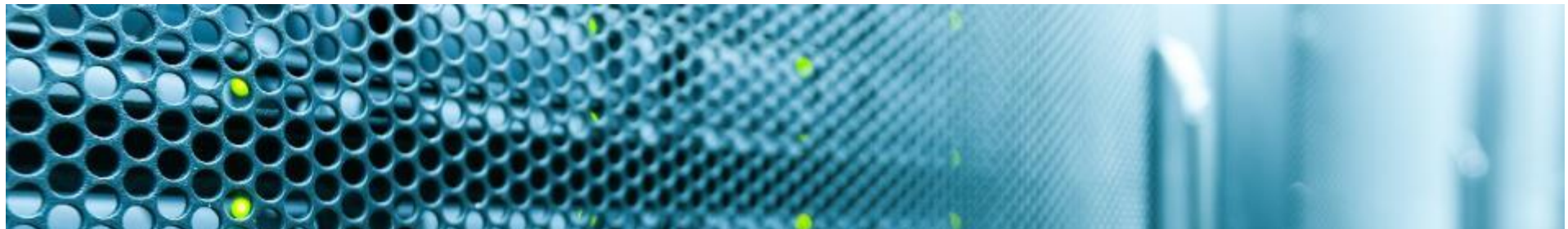
Deloitte Tohmatsu Group recognizes that the protection of information assets, including confidential information provided by clients in the course of operations, from threats such as loss, tampering, leakage, and unauthorized use contributes to the continuous and stable growth of our business activities. Given this, we have autonomously established information security-related rules and regulations, including our [Information security policy](#) (collectively referred to hereinafter as "Information Security Policies"). In developing and structuring our Information Security Policies, we maintain consistency with the global-based information security manual provided by Deloitte Global while also complying with Japanese laws and regulations.

Protecting client information

The information system environment in which client information is stored is designed according to Deloitte Global standards and applies state-of-the-art information management technology. Client information access permission is set on a per-contract basis, with access limited to members involved in the contracted work. Furthermore, this information system environment is strictly controlled by firewalls, and the Deloitte network member firms operating in the various countries and regions are all independent. Consequently, it is not possible for firms and other countries or regions to directly access Deloitte Tohmatsu Group systems, just as it is not possible for Deloitte Tohmatsu Group to obtain direct access to systems for firms in other countries or regions. Additional security measures such as encryption are taken for information that requires particular confidentiality.

Information security promotion system

The Deloitte Tohmatsu Group RRL is responsible for overseeing the information security management of the entire group. Under the RRL, a group-wide information management system is built and operated, and the information security management status for each division is monitored, maintained, and managed. The RRL also appoints a Chief Confidentiality Officer (CCO) for the appropriate management of the information security risk of the entire group. The CCO is responsible for working under the RRL to promote the implementation of various initiatives for managing information security risk. There is also the group Chief Information Officer (CIO), who is responsible for the implementation of information security systems and their comprehensive management and operation. The CIO appoints an Information Systems Security Officer and a Chief Information Security Officer (CISO). These officers are responsible for overseeing the management of their respective jurisdictions: Information Systems Security Officer for the information systems of the entire group, and the CISO for the information security of the entire group. The RRL, CCO, CIO and CISO are independently appointed by the group. The group has also established an information systems division, which is operated independently from Deloitte Global and Deloitte AP.



Information security

System for information security management and secure oversight

ISO 27001 is an international standard for information security management. Deloitte Tohmatsu Group has acquired and maintains its ISO 27001 certification to build and operate a state-of-the-art information security management system.

In the event of an information security incident (or potential incident), we have established a stance for appropriate response to incidents, such as establishment of emergency contact points, development of incident response procedures and dissemination of these throughout the group, investigation of what has caused the incident, and formulation and implementation of recurrence prevention measures. Cyber risk has become increasingly complex and serious in recent years. To address this risk, we have also established a cyber security response system in conjunction with Deloitte Global's world-class technology that focuses on ensuring a higher level of security in our provision of services to our clients. Particularly for the information management of projects with a high level of importance and confidentiality, such as national security projects, we are making efforts to strengthen our security in compliance with NIST SP800-171, which are the guidelines showing the security criteria established by the National Institute of Standards and Technology.

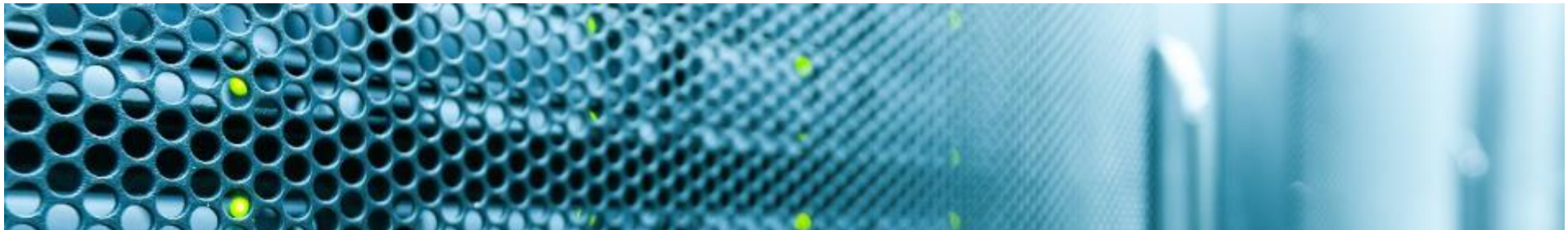
Information security training

The foundation of Deloitte Tohmatsu Group credibility is our adherence to our obligation for client confidentiality. Furthermore, information security is becoming increasingly important; based on these factors, and in light of the situation for information security and similar risks surrounding the group, we have implemented various education and training programs to our members for the protection of client information and the group's information assets and the appropriate handling of personal information. Moreover, in the event that an information leakage does occur, we will take strict disciplinary action against the party responsible.

We also implement actions for inciting caution in our partners and staff against phishing attacks by performing regular phishing email response drills.

Information security audits

Deloitte Tohmatsu Group performs internal security audits through our Internal Audit Office. In these audits, the Internal Audit Office acts as the leader to check the Information Security Policies compliance status for partners, members, and related third parties, and audit whether the group's information security management system is appropriately developed and operated. We also receive annual inspection by external certification authorities to maintain our ISO 27001 certification.



Independence

Deloitte Tohmatu Group was founded on its financial auditing business, and consequently on the credibility that is the foundation of such business. As such, independence is the foundation of all quality control in the group. The criteria for independence are shaped by laws, regulations, professional requirements, and societal demands. All members affiliated with the group are required to comply with independence policies and procedures in connection with service provision, business relationships, employment relationships, and financial interests. We have also developed independence quality control procedures and a system for dealing with various issues in a timely and appropriate manner. The independence quality control system is formed from the distinctive elements shown at right.

Maintaining independence is fundamental in the provision of professional services. It is necessary not only to expand each professional's understanding of independence, but also to firmly establish it in the person's attitude and behavior. As this also requires understanding of complex rules and addressing established procedures, we have appointed an independence champion for each business and division to serve as an accessible advisor on partner and staff independence and to disseminate information related to independence at the division level.

- Implementation of annual independence checks
 - Mandatory GIMS* registration for all partners and professional staff
 - Operation of Deloitte entity search compliance system
 - Preventative measures to ensure independence rule compliance
 - Independence-related training and awareness campaigns
 - On-demand acceptance of consultation requests
 - Various monitoring (e.g., partner and staff financial interests, employment relationships, business relationships, contracts concluded, partner rotation, group business transactions, group entities for which independence must be maintained)
 - Responses for independence-related rules and compliance status reviews
 - Discovery, analysis and application of disciplinary provisions for independence rule violations
-
- Acting to give accessible consultation on independence for the organization they belong to. Acting as a mediator to facilitate resolving issues for cases where decision-making is difficult by coordinating with the independence division in a timely manner
 - Disseminating information on independence-related topics and points for awareness within the business
 - Giving feedback to project teams in the business regarding the status and issues for fostering and establishing a culture for independence in the organization they belong to, along with reactions to initiatives and ways they could be improved
 - Information exchange between independence champions

*GIMS (Global Independence Monitoring System) is an application system that uses registration of individual financial interests to prevent violations of independence requirements from holding restricted stocks.

Risk management

The business environment surrounding the Deloitte Tohmatsu Group is constantly changing and fraught with uncertainty due to changes in the economy and society as well as the demands of clients and regulatory authorities. In this environment, we pay the utmost attention to quality control and risk management (QRM: Quality & Risk Management) and strive for continuous improvement by meticulously monitoring related operational processes and procedures on a regular basis.

The Deloitte Network has established a systematic policy that forms the core of the QRM process for the firms in each country and region (i.e., DPM, or the Deloitte Policy Manual), thereby clarifying the policy to be adhered to throughout the Deloitte network. This subsequently provides a foundation on which a consistent and rigorous QRM process is built and operated to span national and regional differences.

A shared global inspection and monitoring mechanism also plays an important role in the proper functioning of the quality control and risk management system. Deloitte Network member firms in each country and region are obligated to conduct their own operational assessments under the guidance and supervision of Deloitte Global. These operational assessments are conducted at least once every three years. They are built on a framework that assesses elements such as whether the firms in each country or region are complying with the DPM policy, whether the policy is functioning effectively, and whether high-quality operations and services are being provided.

The firms in each country and region are obligated to appoint a person with advanced experience in a senior position as a Reputation Risk Leader to be the party responsible for leadership and oversight of all QRM programs based on DPM policy. In the group, the Reputation Risk Leader is a member of the group's Executive Committee, and oversees practical operations related to maintaining reputation and managing risk for the entire group. They are also responsible for constant monitoring and supervision of the performance status and status of efforts for related operational processes. The Reputation Risk Leader has an obligation to report their job performance status to both the Group CEO and the Board. This system enables management to identify management risks in a timely manner and take appropriate measures.

When risk becomes apparent, it could have a significant negative impact on the group's ability to carry out its business in a stable manner, in terms of maintaining its reputation and brand and providing services based on consistent quality, and so on. The group uses an Enterprise Risk Framework (ERF) to identify and evaluate a wide range of potential risks that must be dealt with in management, then performing risk management based on a set order of priority.



Our commitment to preventing corruption and financial crime

Based on our "[Code of Conduct](#)", Deloitte Tohmatsu Group requires all members give their commitment to preventing corruption and financial crime. Furthermore, through collaboration with Deloitte Global and firms in other countries, we are proactively engaged in the following efforts to prevent corruption and financial crime.

- Development of a policy manual as a group-wide policy and standards of conduct for preventing all forms of corruption and financial crime, including bribery
- Establishment of consultation contact points for identifying and resolving issues at an early stage
- Implementation of internal training for all members to raise awareness for preventing corruption, and dissemination of regular messages from top management
- Monitoring through regular internal audits and continuous improvement of measures

Below are some of the distinctive efforts and latest trends for each area.

Corruption prevention

Deloitte actively supports numerous efforts for eradicating corruption around the world. Deloitte Global has been a member of the United Nations Global Compact (UNGC) and the World Economic Forum Partnering Against Corruption Initiative (PACI) from an early stage. In Japan, Deloitte Tohmatsu LLC, which holds the group's administration and management function, is a member of the UNGC local network, United Nations Global Compact Network Japan.

In the past few years, government spending has increased on an unprecedented scale globally due to the COVID-19 pandemic. To prevent and avoid the risk of corruption when participating in services in the public domain, the group takes thorough steps, including adding internal check procedures in the order process.

Financial crime prevention

In recent years, in the area of money laundering, there is a strong call from around the world for more thorough countermeasures against the financing of terrorism and the transfer of criminal proceeds. In general, it has been pointed out that

professionals, such as those in professional firms, are at risk of being used for money laundering due to their expertise and social credibility. To address this risk, Deloitte has implemented financial crime prevention policies and related procedures on a global basis under the shared network policy "Anti-money laundering". Japan is also preparing for the revision of the "Act on Prevention of Transfer of Criminal Proceeds", which is scheduled to take effect in 2024.

Trade Control area (export control and economic sanctions)

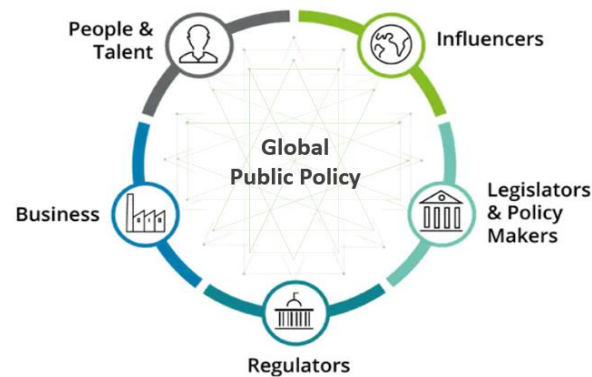
In FY22, Deloitte issued "Trade Control" as a globally shared policy to further strengthen its efforts for compliance with economic and security legislation in countries and regions around the world. For the recent situation in Ukraine, along with responding to the situation in accordance with the guidelines shared over the entire Deloitte network, firms in every country are working together regularly to gather information and improve their response.

Public policy

Deloitte Tohmatsu Group actively participates in discussions for forming rules and policies toward key socioeconomic issues. Through building and maintaining meaningful relationships with the myriad people who participate in policy planning, including key stakeholders such as investors, analysts, regulatory authorities, companies, our members, and local communities, we develop our activities with a focus on areas and themes with a positive impact on people, society, and the economy, such as the following.

- Support for long-term health and sustainability for the earth through fair climate change measures and reporting of environmental, social, and governance (ESG) information
- Promotion of further economic and social prosperity through emphasis on diversity, equity, and inclusion (DEI)
- Communication through discussions with a wide range of professionals, experts, and stakeholders on advice aimed at developing various regulations and rules needed to address the rapid development of technologies, including AI
- Support for the development and spread of methods and frameworks for comprehensively measuring the degree of socioeconomic progress and development

including member companies, we are expanding our group's policy advisory function, as well as the network that supports this. We will continue to evolve to further solidify our existing efforts for solving public policy issues in coordination with key stakeholders.



Along with making responsible business decisions for broader societal concerns, Deloitte Tohmatsu Group will provide a voice for the public policy issues that we must make efforts to address based on the knowledge gained through our own wide-ranging business activities and collaborative efforts with various stakeholders.

As part of these efforts, Deloitte Tohmatsu LLC became a member of the alliance with General Incorporated Association Japan Business Federation (KEIDANREN) in February 2022. While strengthening our collaborative efforts with stakeholders,



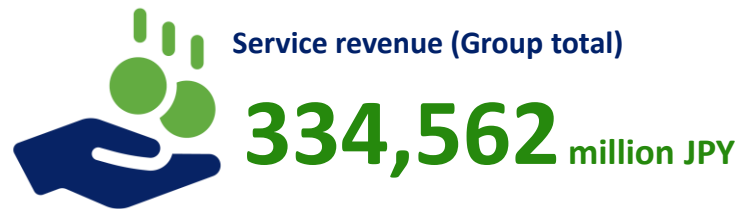
Performance



The list of performance metrics



Business



Amount of investment in digital technologies - AEB, Audit Innovation



AEB *1

6,910 million JPY

Audit Innovation *2

5,035 million JPY

*1 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 while professionals are better equipped for advising and proposals.

*2 Audit Innovation: Efforts to organically integrate technologies and professional perspectives with the aim to offer value added insights while reducing the cost to society as a whole. [Find more](#) about audit innovation.



Environmental

GHG emissions (tCO2e)*

Target category	Reduction target	FY23 emissions	Percentage reduced from reference year (FY19)
Scope 1 and 2 total	Using FY19 as a reference year, reduce emissions by 70% by FY30	2,260 tCO2e	78%
Scope 3 emissions from business travel	Using FY19 as a reference year, reduce emissions by 50% by FY30 (Total emissions amount listed in parentheses as a reference value)	0.443 tCO2e/FTE	62%
		(7,735 tCO2e)	(48%)

Percentage of total office area with energy provided through renewable energy sources



*These have been divided into "Scope 1 and 2" and "Scope 3 emissions from business travel".
Reference: Scope 3 GHG emissions from purchased products and services (FY23) 28,415 tCO2e

The list of performance metrics



Social

Number of members

Group members **approx. 20,000**

New graduate hires **1,029**

Mid-career hires **3,920**

Pro bono work and donations

Amount of donations **206 million JPY**

Hours used in pro bono and volunteer activities **25,668 hours**

WorldClass beneficiaries (cumulative total) **778,125 people**

Diversity, Equity & Inclusion

Percentage of female P/MD members **10.3%**

Percentage of female management (SM, M) members **20.8%**

Foreign members **1,128**

Percentage of male members who have taken childcare leave and similar **72.9%**

LGBT+ Ally Network members **191**

Percentage of Diverse Abilities (members with disabilities) who have stayed with the group **94.8%**

Our People

[Professional happiness level](#)

-While there may be times you feel differently, do you feel happy overall?

2023 **72%** 2030 Goal **90%**

[Ethical culture score](#)

-The self-discipline that makes it possible for members to shine in a free environment

81pt/100pt

[Percentage of female members](#)

-We have positioned diversity as a management strategy

2023 **34.6%** 2030 Goal **50%**

[Amount toward talent development-related investment](#)

-Investment in learning with the aim of becoming a talent development leader

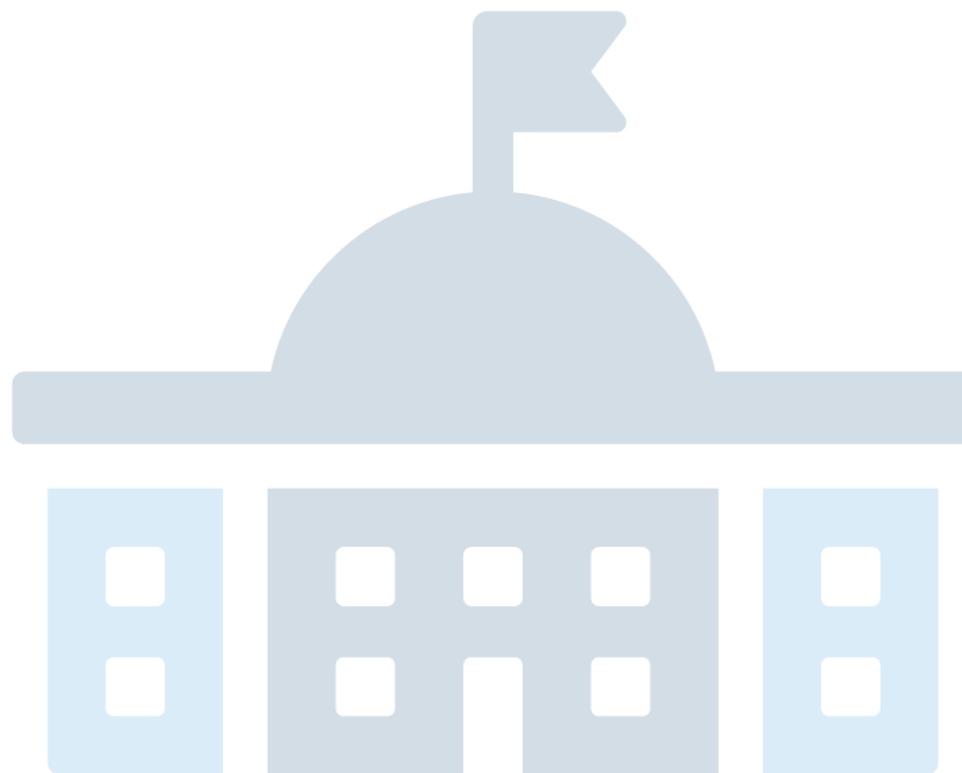
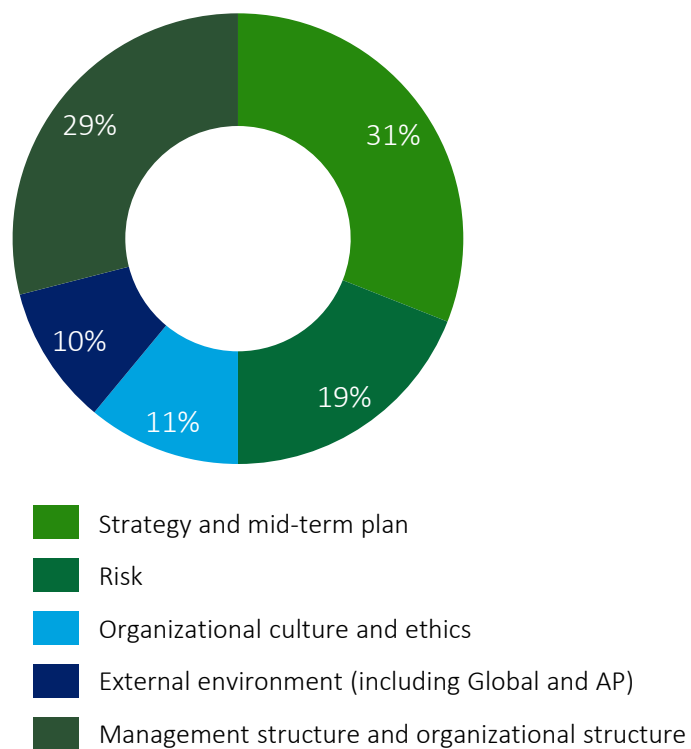
14.94 billion JPY

The list of performance metrics



Percentage of female Board members **41.7%**

Board agenda shares for each area



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