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FY2023 Deloitte China
Impact Report



MAKING AN
IMPACT THAT
MATTERS

since 1845

Leading by professionalism to shape a thriving future

Message from the Chair and the CEO

Looking back at the world over the past year, complex challenges such as geopolitical tensions, the post-pandemic recovery, and climate change continued to stack up and test China's economic resilience on its journey to sustainable development. However, peering through the mist we see a new pattern that is emerging and new hopes that are rising. This positive outlook stems from our firm belief in China's strengths enabling it to build an innovative, green, harmonized, open, and shared future.

Deloitte China leverages its professional capabilities to fulfill social responsibilities and joins hands with our clients, people, and society to drive the high-quality development of the country and common prosperity in society. The FY2023 Deloitte China Impact Report records and demonstrates Deloitte China's remarkable progress in business, environmental, and societal fields over the past year. On the occasion of the 20th anniversary of Deloitte's Global Chinese Services Group, the report also presents Deloitte's achievements in serving the ambitions of enterprises going global.

Accelerating growth

Our confidence grows even stronger as China makes reform, growth, and stability the cornerstone of its economic policies. While serving our clients, we see a gradual recovery in consumer demand, continued increases in production and supply, and a positive economic outlook ahead. We have provided advice and suggestions for the Government to ensure stable growth, investment, and expectations; contributed to creating a world-class business environment that is market-oriented, law-based, and internationalized; helped state-owned, private, and foreign enterprises build supply chains, industry chains, and innovation ecosystems in line with the "dual circulation" development pattern and improved their levels of digital and intelligent operations; and tapped new market potential to achieve sustainable development with enterprises thriving in harmony with the environment. Most notably, we have developed the Digital Decarb and the Value Chain Carbon Emissions Management Platform, two new advances achieved through integrating digital capabilities with sustainability services.

Cultivating new opportunities

Over the past fiscal year, Deloitte China's total societal investments amounted to RMB34.15 million, with 63,525 hours of volunteer and pro bono work, up 13% from the previous year.

We have made remarkable progress in advancing the *WorldClass* initiative that supports China's rural revitalization strategy, and *WorldClimate*, which contributes to China's "dual carbon" goals. Our *WorldClass* programs have empowered more than 5.5 million individuals, covering areas including the development of teachers' professional capabilities, social and emotional skills development for children, and early childhood development. Through the *WorldClimate* initiative, we have continued to monitor our carbon footprint and encourage our people to travel by high-speed rail.

As a professional services firm that puts people first, we actively work to equip our people with future-ready competencies. The construction of Deloitte University Asia Pacific in China, an advanced research and learning center in Huairou District, Beijing, will be completed in 2024 and is expected to provide a wide range of professional training for 15,000 people from Deloitte and our clients each year.



Leading by professionalism to shape a thriving future

Message from the Chair and the CEO

Opening-up new prospects

China is an active promoter of globalization. We offer comprehensive support for Chinese companies to go global with high-quality growth and contribute to China's vision of building a human community with a shared future. More than 20 years since China's accession to the World Trade Organization (WTO), Chinese companies going global have shifted their strategic priority from seeking market expansion toward reshaping development resilience, and we have transformed our professional services to focus more on helping enterprises improve their management and operating models and global governance structures, and predict and harness technological transformation trends. As the Belt and Road Initiative enters its 10th year, Deloitte's Global Chinese Services Group has established a professional network that spans more than 90 countries and regions around the world, with more than 3,000 professionals ready to serve the new journeys of Chinese companies going global as they aim to grow into world-class enterprises.

As a locally rooted, globally connected professional services firm, Deloitte China has played an active role in and at the same time benefited from China's reform and opening-up. We are grateful to all Deloitte people, as well as the clients, partners, social organizations, and suppliers that have worked hand in hand with Deloitte China, for their great efforts to build a world of common prosperity in FY2023. Leading by professionalism, Deloitte China will continue to take corporate social responsibilities as a core pillar of its development strategy, serve steadfastly to facilitate cooperation between China and the world, leverage its professional capabilities to create greater successes for all stakeholders, and lead the way toward a stronger economy, a more equitable society, and a sustainable world.



Deloitte China Chair
Vivian Jiang



Deloitte China CEO
Patrick Tsang

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Societal impact performance highlights

Business performance



34 of our professionals serve as deputies or members on National People's Congress (NPC) or Chinese People's Political Consultative Conference (CPPCC) National Committee and provincial or municipal people's congresses or CPPCC committees



Put forward more than **40** proposals or recommendations related to professional services through active political participation



Invested in end-to-end innovative sustainability service solutions, launched Deloitte **EEIO** Carbon Emission Factors Database, and received the "Best Supporting Institute Award" from the Green Investment Principles (GIP) for the Belt and Road in 2022



Hosted the Best Managed Companies (BMC) program for the **5th** consecutive year and the Deloitte China Technology Fast 50 (TF50) program for the **18th** consecutive year



Own about **300** Deloitte proprietary digital assets, of which nearly **100** are active and developed in-house



Named one of the "Top 10 Best Advisory Firms in China PE/VC Industry" **6** consecutive times in a row (2015-2022)

Environmental performance



Realized carbon-neutral operation and business travel for the **4th** consecutive year



11 offices achieved LEED certification, **2** achieved WELL certification, and another **2** achieved BEAM Plus EB V2.0 Platinum certification



Our green travel initiative in collaboration with a car-hailing platform recorded a total of **3,622** orders using NEVs, with a travelled distance of **65,759.84** km



Achieved **100%** signing rate for our Supplier Code of Conduct



100% use of renewable energy

Societal performance



20,113 employees in total



Women account for **62%** of our headcount, **47%** of our managers and above, and **32.4%** of our partners



Recognized among the "China Top Employers" for the **17th** consecutive year



Total societal investments of RMB **34.15** million



Positively impacted more than **5.5** million people through WorldClass programs



Delivered **63,525** hours of volunteer and pro bono time, up **13%** from the previous year



FEATURE | Turning China's development into opportunities for the world

Deloitte's Global Chinese Services Group celebrates 20th anniversary

3,300



Established in 2003, Deloitte's Global Chinese Services Group (CSG) provides professional services for Chinese companies expanding their global presence and multinationals operating in China. For 20 years since its establishment, CSG has brought Deloitte's multidisciplinary services together and deployed more than 3,300 Chinese speaking professionals and local specialists who understand Chinese business culture across the world. This dedicated network is committed to providing professional advice and comprehensive solutions to Chinese companies going global and multinationals coming to China.

CSG in the spotlight



Launch

With China's accession to the WTO at the end of 2001, the world's top 500 companies saw unprecedented opportunities to invest in China. In 2003, a self-organized group of Deloitte partners in China and the US, which was the embryonic form of CSG, rose to the occasion and worked to introduce new insights and opportunities for overseas companies to invest in the Chinese market and share professional knowledge and experience for Chinese companies to expand into overseas markets. In 2007, CSG was restructured and became a formal division responsible for leading and building the Chinese services network spanning the Americas, Asia Pacific, Europe, the Middle East, and Africa.

Expansion

After the stage of going global as exporters and builders, demand among Chinese companies for outward direct investment surged from 2010, and CSG's priority for new business shifted gradually to cross-border M&A services for Chinese companies. During that time, Deloitte helped several Chinese companies complete a series of iconic international M&A transactions, including the acquisitions of Tully Sugar Limited by COFCO in 2011, Weetabix by Bright Food in 2012, Smithfield Foods by Shuanghui in 2013, SP AusNet and SPI Australia by State Grid in 2013, and Motorola by Lenovo in 2014.

Transformation

With the implementation of the Foreign Investment Law in 2020, China aimed to embrace the world with a more open and inclusive environment and promote reform and high-quality development through opening-up at a higher level. CSG released the *Doing Business in China 2020* report during the 2020 China International Import Expo (CIIE) to help overseas investors and multi-national corporations (MNCs) identify industry development trends, gain insights into global trade dynamics, and capture opportunities for development in China.



Doing Business in China 2020

FEATURE | Turning China's development into opportunities for the world

Deloitte's Global Chinese Services Group celebrates 20th anniversary

In an increasingly changing and complex global market, CSG promotes growth, embraces transformation, and addresses unprecedented challenges with resilience. We have served more than half of the Fortune Global 500® Chinese companies, providing professional services for their overseas operations, M&A, and green investment projects, while focusing on developing customized service opportunities to offer one-stop, bespoke, comprehensive solutions for clients to tackle various challenges.

With the development of the Belt and Road Initiative, an increasing number of Chinese companies going global are shifting the focus of their new overseas businesses toward emerging markets along the Belt and Road. Deloitte service teams are responding to this change by offering special services targeting opportunities and projects in Belt and Road countries. CSG has led or participated in multiple major overseas M&A transactions, providing comprehensive, full-cycle professional services for overseas investments to help Chinese companies move forward from going global as buyers to operating as MNCs.

A new era

The “go global” strategy of Chinese companies has entered a new era of operating as MNCs underpinned by Chinese experience, capabilities, and capital. In 2018, CSG developed a cross-border operation capability maturity model to boost clients' globalization 2.0 journey, helping companies to establish comprehensive capabilities for cross-border operational success and grow into MNCs. The *New Dawn of China to Global Whitepaper*, a recent report jointly published by Deloitte and Yicai Research Institute, brings Deloitte's subject matter experts in globalization together for the first time and leverages the cross-border operation capability maturity model to help enterprises evaluate,

improve, and enhance their capabilities across strategy, finance and tax, operations, talent management, and digital management to develop and manage cross-border operations. It also shares Deloitte's insights and practical experience on improving global management skills for Chinese companies.

Deloitte is committed to supporting China's high-standard opening-up. Boasting a unique, expansive global network, CSG leverages its leading-edge competitiveness and extensive experience in cross-border services to help governments attract investments and contributes its professional expertise to building the new “dual circulation” development pattern. By publishing more than 60 research reports on the investment environment, CSG has helped local governments demonstrate China's appeal to multi-national investors in a more professional, systematic way, creating a substantial impact on site selection and decision-making by investors.

For five consecutive years, Deloitte has assisted Shanghai to prepare flagship reports including the *White Paper on Environment for Foreign Investment in Shanghai* and the *Shanghai Foreign Investment Guide*. We have also established comprehensive cooperation with Pudong, Huangpu, Qingpu, Hongkou, and other districts of Shanghai to conduct research on their investment environments. In addition, we continue to track developments in the business environment and conduct follow-up research to provide business environment evaluations benchmarked against the World Bank's indicators, helping Shanghai promote high-quality development through high-standard opening-up.



New Dawn of China to Global Whitepaper

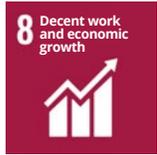


White Paper on Environment for Foreign Investment in Shanghai and the Shanghai Foreign Investment Guide

For more than 20 years since China's accession to the WTO, the Chinese Government and enterprises have transformed from entering the global market to building a human community with a shared future. During this period, China's economy has thrived, and Chinese companies have achieved remarkable growth. CSG has witnessed and contributed to the journey of many top Chinese companies going global. Looking ahead, we believe that a growing number of Chinese companies will embark on their globalization journeys. CSG will continue to leverage its strengths to serve them along the way, connect China with global markets towards shared value and common prosperity, and turn China's development into opportunities for the world.

I. Business: Creating sustainable value through professional excellence





1. Serving the country with professionalism

2023 marks the first year for China to fully implement the guiding principles of the 20th National Congress of the Communist Party of China (CPC) and is a crucial year of transition for implementation of the 14th Five-Year Plan. The *Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and Vision 2035 of the People's Republic of China* says that it is and will remain for a time to come a key task of the Party and the country to ground our efforts in a new stage of development, apply a new development philosophy, and create a new paradigm to promote development with a focus on quality improvement.

The report to the 20th CPC National Congress states that the central task of the CPC will be to lead Chinese people of all ethnic groups in a concerted effort to realize the Second Centenary Goal of building China into a great modern socialist country in all respects and advance the rejuvenation of the Chinese nation on all fronts through a Chinese path to modernization.

Staying true to its original aspiration – serving the country with professionalism – along this new journey, Deloitte China has combined its business practices and professional capabilities and leveraged its position and strengths as a locally rooted, globally connected professional services firm with multi-disciplinary capabilities to contribute to building a great modern socialist country in all respects.

Deloitte China provides integrated professional services, with a long-term commitment to be a leading contributor to China's reform, opening-up, and economic development. We are a globally connected firm with deep roots locally, owned by our partners in China. With more than 20,000 professionals across 30 Chinese cities, we build on our local roots, a global network of professional services, Integrated Value Propositions (IVPs), and an omni-capable innovation model to provide our clients with a one-stop shop offering world-leading audit & assurance, consulting, financial advisory, risk advisory, tax and business advisory services. We serve with integrity, uphold quality, and strive to innovate. With our professional excellence, insight across industries, and intelligent technology solutions, we help clients and partners from many sectors seize opportunities, address challenges, and attain world-class, high-quality development goals.

1.1 Contribution to national economic growth

Intellectual support for policy research

Deloitte Global has developed a unified mechanism for public policy management that monitors and keeps track of key issues related to public policy, including sustainability, technological development, diversity, equity, and inclusion. Deloitte China shares advanced insights from Deloitte Global with governments at all levels in China and, coupled with its local insights and practices, provides professional opinions to support governments to develop and implement various policies.

Working closely with the Ministry of Finance, local offices of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), and other government agencies, Deloitte China has provided intellectual support for key research projects, covering the international operation of SOEs, benchmarking against world-class standards, digital regulation, business valuation, and other topics, helping to make China's voice heard and bring China's solutions to the world. In addition, Deloitte China continues to drive the development of the accounting and audit profession and has completed various policy, academic, practice, and talent development projects entrusted by authorities including the Ministry of Finance, National Accounting Institute, and Chinese Institute of Certified Public Accountants.



✓ Providing evaluation service for a city's bureau of commerce and free trade zone

For three consecutive years, a Deloitte China team has been providing services to evaluate the progress of free trade zone (FTZ) construction for a city's bureau of commerce. Each quarter, the team dives deeply into the main departments and key enterprises involved in the city's FTZ reform, sums up their achievements and challenges, benchmarks against leading practices from other countries and regions, and identifies valuable policies and practices for reference to help further enhance the city's FTZ construction.

✓ Releasing the world's first *International Exchange Centers Index*

Deloitte China and the China Institute for Development Planning of Tsinghua University compiled and released the *International Exchange Centers Index 2022*. Through the objective analysis of data, including collating global factors, political and commercial interaction, and cultural exchange, the report evaluates the development and potential of global cities in promoting international exchange and illustrates the advantages and disadvantages of each city from different perspectives. It also uses key indicators to provide references and suggestions for major cities to enhance their roles as centers for international exchange.



1.1 Contribution to national economic growth

✓ Developing an international consumption center digital platform for a provincial capital

A Deloitte China team supported a provincial capital to develop itself into a center of international consumption. We leveraged our solid experience in the consumer industry and strength of our in-house digital asset, REAccess, to develop an innovative, tailored international consumption center digital platform for the city that helped it outperform competitors. The city has now made “digital” its distinct feature on the journey to becoming a center of international consumption, creating a demonstration effect across the province and nationally.



International consumption center digital platform

Serving the high-quality development of enterprises

The rapid development of China's economy has been attributed to the growth of its state-owned and private economy. Leveraging globally leading, comprehensive, one-stop service capabilities and the strength of a global network of resources, Deloitte China helps state-owned enterprises grow stronger, better, and bigger to become world-class enterprises, allowing the state-owned economy to fulfill its role as a strategic pillar of the national economy.

We are also highly aware that the private economy is a powerful driver for Chinese modernization, a key foundation for high-quality development, and a major force in realizing the Second Centenary Goal. With solid professional capabilities and profound experience, Deloitte China provides comprehensive support and services for private enterprises to drive the high-quality development of the private economy.

✓ Driving high-quality development of the Certified Tax Agents profession

Deloitte China contributes to the comprehensive development of the Certified Tax Agents (CTA) profession in China as a modern service industry. In terms of building the CTA profession, we work with the China Certified Tax Agents Association (CCTAA) to drive the high-quality development of the CTA profession and promote the standardization of tax related professional services. We also continue to provide advice, suggestions, and intellectual support for CCTAA's guidelines on ethics and various businesses. For example, we have provided intellectual support for the business guides of CCTAA and the Beijing Certified Tax Agents Association. To enhance the skills of tax practitioners, we leverage the platforms of CCTAA and local CTA associations including Beijing and Shanghai, tax authorities at all levels, industry organizations, and Deloitte itself to share hands-on experience and interpretations of international tax updates with tax practitioners.

✓ Empowering Chinese enterprises to tackle the challenges of international tax reform

The two-pillar solution devised by the Organization for Economic Co-operation and Development (OECD) has opened a new chapter in global tax governance. In particular, Pillar Two, which sets out a minimum tax rate of 15% and is being implemented worldwide, will impose substantial challenges on Chinese enterprises going global and multi-national companies already operating globally. Deloitte China follows the development of related issues and publishes articles and makes proposals to government authorities to help enterprises prepare for reform. Our teams in Hong Kong have also advised clients on responding to Hong Kong's foreign-sourced income exemption (FSIE) regime.

1.1 Contribution to national economic growth

✓ Rebuilding the business model for a large state-owned group

The 5th plenary session of the 19th CPC Central Committee proposed to modernize industrial and supply chains as a major task in building a modern industrial system and upgrading the nation's economic structure, encouraging central SOEs to take the lead in reaching these goals. Against this background, Deloitte China brought its multi-disciplinary service experience and professional advisory capabilities together to assist a FG500 central state-owned group to rebuild its business model. We developed a development paradigm for the group to expand into digital finance and further enhance productivity through financing; activate and advance digital transformation through scenarios and data factors; and fulfill its responsibility as an industrial chain leader to achieve the synergetic development of industry and finance.

整体规划全景



Business and strategic planning overview

✓ Empowering an iron and steel group to develop into a world-class enterprise

Against the background of accelerating construction of China's new development pattern and facilitating high-quality development, a large iron and steel group appointed Deloitte China as its long-term partner and professional advisory services provider. Built on our professional capabilities with a global vision across multiple business lines, we have provided constant help and services to support the group's strategy, management optimization, M&A integration, business model innovation, operational capability improvement, and digital system building, laying a solid foundation for the group to accelerate its development into a world-class enterprise.

✓ Assisting a tobacco company in digital transformation

To better implement the strategies of developing manufacturing power and a digital China, and redefine its high-quality development strategy, a tobacco company launched a digital central office expansion project based on the industry baseline version. With digital innovation capabilities and extensive industry experience, a Deloitte China team was engaged in the initial planning and implementation of the company's digital central office expansion project and participated in project development under the structural change to "cloud + central office + micro-services", providing strong support for the company to drive its high-quality development through digital transformation.

✓ Conducting a data center audit for a world-leading cloud computing company

With industries accelerating their digital transformations, a world-leading cloud computing company expanded its data center to meet increasing cloud computing needs, bringing more attention to data center risks. Deloitte China helped the client assess its management activities including the operation and maintenance, R&D, supply chain, and safety of its data center infrastructure, identify weaknesses in its data center management, and offer rectification and optimization advice, empowering the client to improve the risk compliance management of its data center and effectively prevent and mitigate risks.



1.1 Contribution to national economic growth

China Best Managed Companies

The Best Managed Companies (BMC) program is the first and only global initiative of its kind in China to provide comprehensive evaluations of private companies based on their management systems. To date, Deloitte China has organized five sessions of this program with 58 winners in total, including 11 new winners, 16 gold standard winners, and 31 requalifying winners. The combined revenue of these companies is RMB1.8 trillion, accounting for about 1.5% of China's GDP, with their average compound annual growth rate from 2018 to 2022 reaching 17%, showcasing their remarkable power of excellence. This global initiative was launched by Deloitte to help more Chinese companies enhance their management and expand their global impact.



China Best Managed Companies Award Ceremony 2022

Deloitte China Technology Fast 50 & Rising Star

The Deloitte China Technology Fast 50 Program was launched to recognize growing tech companies striving for innovation and excellence. The program has been held for 18 consecutive years. Deloitte China Rising Star is a twin project that recognizes outstanding companies that have been established for a short period of time but have achieved leadership in their sectors and possess great growth potential. This program has been organized for 11 consecutive years.

With the theme of Laying the Foundations for a Future of Innovation, the 2022 Deloitte China Technology Fast 50 & Rising Star programs recognized fast-growing and innovative hi-tech companies that have taken on social responsibilities, aiming to facilitate the continuous progress of technological innovation and the high-quality development of China's economy. The 3-year average revenue growth rate of the 2022 Deloitte China Technology Fast 50 Program winners was 1,656%.



2022 Deloitte China Technology Fast 50 & Rising Star Program Report



Key awards and recognition



Named one of the "Top 10 Best Advisory Firms in China PE/VC Industry Awards 2021-2022" by Global PE Forum and Caixin Data. Deloitte China received this honor for the 6th consecutive time.



Named "Corporate Restructuring Financial Advisory Firm of the Year in China" in the Corporate INTL Global Awards 2023.



Received "Asia-Pacific Tax Award 2022" from International Tax Review.



Won "SAP Best Partner Award – The Enabler of Intelligent Sustainable Chinese Enterprise in the Cloud Era".

1.2 Engaging in policy-making and contributing advice and suggestions

Thirty-four Deloitte China executives serve as deputies or members on NPC or CPPCC National Committees and people's congresses or CPPCC committees across 13 provinces and municipalities. They take responsibility by providing advice and suggestions. In the past year, they provided more than 40 proposals and suggestions covering people's livelihoods, sustainability, improving the business environment, and other topics, contributing to national, provincial, and municipal economic and social development.



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Deloitte China executives serve as NPC deputies or CPPCC members at national, provincial, and municipal levels



Over 40 proposals and suggestions provided

✓ Fulfilling the duties of a CPPCC member by contributing Deloitte's insights

In March 2023, the 1st session of the 14th CPPCC National Committee kicked off at the Great Hall of the People in Beijing. Deloitte China Chair Vivian Jiang was re-elected as a member of the new CPPCC National Committee. Following the principles of reasonable and detailed research, effective and tailored advice, and lean innovation and development, Vivian has fulfilled Deloitte's commitment to serving the country with professionalism by providing advice and suggestions. At the session, Vivian put forward eight proposals focusing on the environment and sustainability, improving the business landscape, and the digital economy, driving high-quality development with expertise.



Deloitte China Chair Vivian Jiang attends the CPPCC session

✓ Providing suggestions and advice with Deloitte expertise

In January 2023, the Two Sessions at the provincial level kicked off. As deputies to provincial people's congresses and members of provincial CPPCC committees, representatives from the Deloitte China management team, with a high sense of political responsibility, have lived up to their commitment to serve the country with professionalism.

Having served two consecutive terms as a member of the CPPCC Beijing Municipal Committee, Deloitte China CEO Patrick Tsang believes providing advice and suggestions for government is the priority in fulfilling his duties. Patrick put forward a proposal about strengthening the capability to attract international talent in the post-pandemic era and building a high-level talent highland. He suggested that maximizing Beijing's technological and innovation resources requires the targeted attraction of top global technological and innovation talent through greater efforts to build a system of international talent attraction strategies, which will help Beijing build itself into a key city for the cultivation of high-level talent.

As a deputy to the Shanghai Municipal People's Congress, Deloitte China Deputy CEO Dora Liu provided a proposal about building sound legal systems and a data trading ecosystem and encouraging companies to participate in the flow and trading of data elements; and another proposal on guiding financial institutions to develop transition finance and boost the low-carbon transformation of traditional industries. Dora delivered specialist advice on expanding data trading on Shanghai Data Exchange, increasing the level of activity, and helping Shanghai develop as a global hub for green finance.



Deloitte China CEO Patrick Tsang attends the CPPCC Beijing Municipal Committee session



Deloitte China Deputy CEO Dora Liu participates in the Shanghai Municipal People's Congress session

1.3 Expanding presence for shared insights

With unique professional services capabilities and a globally connected network of resources, Deloitte China takes part in various high-level expos and industry summits across different regions, aspiring to provide intellectual support for China's economic development and opening-up policies. We have served as the intellectual supporting partner of the Boao Forum for Asia Annual Conference for 19 consecutive years. By participating in international exchange activities including the China International Fair for Trade in Services (CIFTIS), CIIE, and China International Consumer Products Expo (Hainan Expo), Deloitte China works closely with a wide range of partners to facilitate the development of China on the global stage, making contributions to achieving the long-term goals of the country.

✓ Intellectual support for the Boao Forum for Asia

As the long-term partner of the Boao Forum for Asia Annual Conference, Deloitte China has provided intellectual support for the Conference for 19 consecutive years. In 2023, Deloitte was engaged in preparing the flagship report, the *Sustainable Development: Asia and the World Annual Report 2023 – Public Private Joint Actions in Financing Asia's Development*. The report notes that Asia is the world's vital engine of economic growth, and financing Asia's development has made remarkable contributions to poverty alleviation, promoting economic growth and social progress and system building, enhancing the development of knowledge sharing and capabilities, and continuously empowering Asian countries to embrace globalization and accelerate regional economic integration.



Deloitte China at the Boao Forum for Asia Annual Conference 2023

✓ Participating in CIIE for the 5th consecutive year

The 5th China International Import Expo was held in Shanghai in November 2022. With the theme of Connected Excellence with Digital Impact, Deloitte China focused on multiple hot topics including digital transformation, sustainability, and climate change to demonstrate Deloitte's integrated value propositions (IVPs) and service capabilities.

Deloitte participated in the CIIE for the 5th consecutive year and signed up to participate in the 6th CIIE in advance. Through the CIIE's strong impact and spillover effect, Deloitte helps clients and partners from various industries and sectors achieve the high-quality development goals of low-carbon transformation and to become world-class enterprises, building an open, prosperous future together.



Deloitte China at the 5th CIIE

✓ Participating in CIFTIS for the 4th consecutive year

In August 2022, the 4th China International Fair for Trade in Services kicked off at the China National Convention Center and Shougang Park. Deloitte China attended CIFTIS at the China National Convention Center for the 4th consecutive year. With the theme of Connecting Digital for a Greener Future, Deloitte China presented its digital technologies and green innovations at the event.

We will continue to provide support for CIFTIS and take the lead in technology and sustainability through industry insights and innovative services that help tackle the biggest social challenges and create a better future.



Deloitte China at the 4th CIFTIS

2 Focusing on green development to promote sustainability

China has always actively promoted and deeply involved in global sustainability and climate change governance in the international community, and enterprises' sustainability is of great importance for China's high-quality development. The report to the 20th National Congress of the CPC stressed establishing and implementing the concept that "mountains and rivers green are mountains of silver and gold" and highlighted the importance and necessity of green development. Deloitte China is committed to sustainability and combating climate change, with continued efforts to develop related solutions and assets tailored to the Chinese market. Deloitte China has also implemented the country's green development planning to help achieve the "dual carbon" goals.

2.1 Innovative service offerings

Sustainability is not only a management model for companies, but also a pursuit of their long-term interest. Deloitte has years of client services experience in sustainability and climate change, with a global network of resources and cross-functional multidisciplinary expertise, based on which Deloitte can provide a full range of comprehensive solutions across five business lines, empowering clients to create responsible and resilient structures and business models to adapt to the ever-changing internal and external dynamics.

Deloitte China sustainability and climate change services

Climate change and decarbonization management

Sustainable finance

ESG report

Sustainable supply chain

Circular economy

✔ Supporting a power battery system provider in decarbonization planning and strategy design

Deloitte China helped a power battery system provider to define its carbon neutrality development goals based on external needs and internal development. In line with the client's power battery plate business expansion needs at home and abroad, Deloitte China helped outline actionable core emission reduction solutions and implementation approaches and develop input-output analysis and forecasting. By designing a series of solutions to zero carbon projects in the medium and long term, Deloitte China helped the client empower the value chain through carbon reduction and decarbonization.

✔ Developing a technological innovation map of green and low-carbon industry for a city's downtown area

Deloitte China was engaged by a municipal government to design its technological innovation map focusing on green and low-carbon industry. This achievement fills a gap in the green and low-carbon technological innovation maps for urban areas of first-tier cities in China, helping government entities better identify and support key technological fields. It allows government entities to properly allocate resources from a professional perspective, strengthening the country's capability to develop technology.

✔ Assisting a financial institution in carbon accounting and goal setting

For companies to achieve net-zero emissions, addressing Scope 3 emissions is a key challenge, and this is even more crucial for financial institutions. Among 15 categories of the Scope 3 emissions, financed emissions are the most complex issue. Deloitte CarbonCare Asia (DCCA) developed a set of robust approaches to assess financed emissions based on the standards of the Partnership for Carbon Accounting Financials (PCAF). Through joint efforts with the client's internal team, DCCA integrated the accounting analysis into the client's internal platform, laying a solid foundation for goal-setting. Moreover, this system is equipped with extension modules to analyze the decarbonization potential of specific industries and geographies and recommend investment opportunities for green technology in line with the client's needs.

2.1 Innovative service offerings

✓ Developing ESG investment strategies and systems for a national fund

Deloitte China was engaged by a national fund to help develop ESG investment strategy planning, build a complete ESG investment management system, and prepare disclosure reports on ESG related work and outcomes. Deloitte China helped the client review its invested projects, optimize investment portfolio management, and expand new business segments in promising industries under the “dual carbon” goals, empowering the client to identify sustainability risks and tap into responsible and low-carbon investment opportunities.

✓ Elevating ESG practice for a renowned global consumer product company

Deloitte China was engaged by a leading global consumer product company to elevate its ESG management practices and information disclosures, including developing ESG strategy planning, improving its ESG management system, and elevating its ESG rating and various ESG information disclosures (including ESG disclosure report, CDP questionnaire, and Dow Jones CSA questionnaire). Through a series of services, Deloitte China helped the client identify its ESG positioning and the way ahead with top-down, systematic construction to demonstrate its good practices to stakeholders.

✓ Helping a famous real estate developer study green building lifecycle development strategy

Deloitte China worked with a famous Chinese real estate developer ranking among the world's top 100 companies in its sector to complete a study on green, healthy, and smart living, including green real estate development strategy, green competitiveness composition, features of typical products, and related standard and systems, strategy implementation, marketing, client feedback, and guarantee systems. The research findings will be applied to the development and design positioning of the client's entire construction product line, aiming to achieve excellence in the coming three years and take the industry lead in the coming five years.

2.2 Building smart platforms



Through joint efforts with top academic institutions, business organizations, and government agencies, Deloitte China conducted in-depth research and developed digital technologies and tools across various sectors based on its strong digital platform development capabilities, aspiring to help companies enhance their management capabilities.

✓ Launching EEIO Carbon Emission Factors Database

In November 2022, Deloitte participated in the 5th CIEE, presenting enhanced sustainability and climate innovation services and launching an innovative digital solution, the EEIO Carbon Emission Factors Database. This platform is built on a leading model and the latest statistics from the National Bureau of Statistics to cover three national economic industries and 153 sectors, including energy and CO₂ carbon emissions in their industrial processes. Equipped with deep analytics, it is simple and easy to operate and resolve issues including carbon footprint calculation, value chain calculation, and the emissions reduction of various products.



EEIO Carbon Emission Factors Database

2.2 Building smart platforms

Developing Digital Decarb, a one-stop dual carbon management system

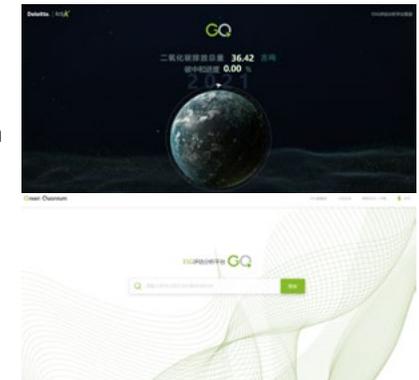
Deloitte China developed and launched Digital Decarb, a digitalization-centric “dual carbon” smart management system. Based on Deloitte’s abundant industry data, well-established carbon factors database, and leading algorithms, the platform leverages the most advanced technologies, including digital twin, Internet of Things, and AI, to make it possible to visualize, manage, control, and optimize decarbonization through continuous iteration and upgrading. Clients can consult climate scientists, building engineers, financial analysts, and industry specialists about climate, building, finance and tax, and financing related issues. The platform allows clients to ensure emissions reduction from technology empowerment to professional consulting and make business decisions based on data to achieve the “dual carbon” goals and seize green opportunities.



Digital Decarb “dual carbon” smart management system

Launching the Deloitte IBond ESG assessment and analysis platform

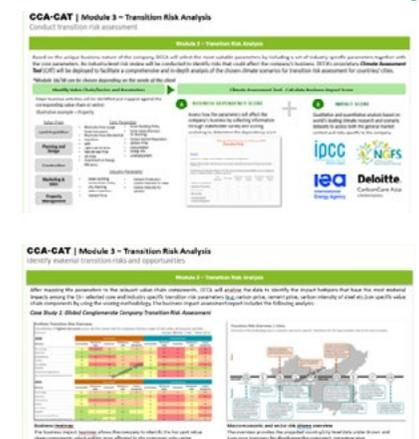
Deloitte China developed and launched an ESG assessment and analysis platform by building an ESG rating and early warning system tailored to risk control needs by providing composite ratings integrating data on companies, industries, and projects. The ESG early warning model uses high frequency data to develop quantitative analyses of companies’ data covering negative public opinion, industry carbon footprint, industry policies and trends, weather, and other metrics, providing a wide range of ESG early warning signals.



Deloitte IBond ESG assessment and analysis platform

Developing a climate risk assessment innovation tool

Deloitte China developed a solution named CCA•CAT (CarbonCare Asia•climate assessment tool) solution to address the suggestions of the Task Force on Climate-related Financial Disclosures (TCFD) and other climate risk challenges. This asset comprises proprietary tools that provide detailed value chain analysis and financial impact assessments. It helps companies ameliorate climate risks and seize opportunities beyond the requirements of major regulators. This CCA•CAT solution has been applied by various clients including a global conglomerate whose businesses cover climate transition risks in real estate, construction, automotive, aviation, catering, engineering, and other sectors.



Deloitte CCA•CAT climate calculation tool

2.3 Leading industry development

With professional capabilities and a global vision, Deloitte China helps clients track market trends and address challenges by integrating industry knowledge with research. We have organized and participated in several forums and conferences to explore the latest sustainability trends, share success stories, and drive innovative solutions with other parties. The Deloitte China Sustainability & Climate Bold Play has published insights and white papers to help companies address sustainability challenges by providing in-depth analysis and forward-looking insights, and shared practical guides and best practices. We continue to lead the industry toward sustainability goals and create more sustainability opportunities and achievements for companies.

In FY2023, the Deloitte CCA team participated in more than 90 activities. At the 27th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP27), the team shared unique insights about the world's climate with more than 100 participants, illustrating its climate leadership to external stakeholders.



Deloitte insights and reports on sustainability



Deloitte 2023 CxO Sustainability Report



Building Smart and Low-carbon Companies Led by Sustainability



Unlocking Value from ESG Opportunities in Post-Transaction Integration



Chinese Listed Banks' Green Finance Insights and Outlook



Key awards and recognition in sustainability services



Received "Best Supporting Institute Award 2022" from the Green Investment Principles

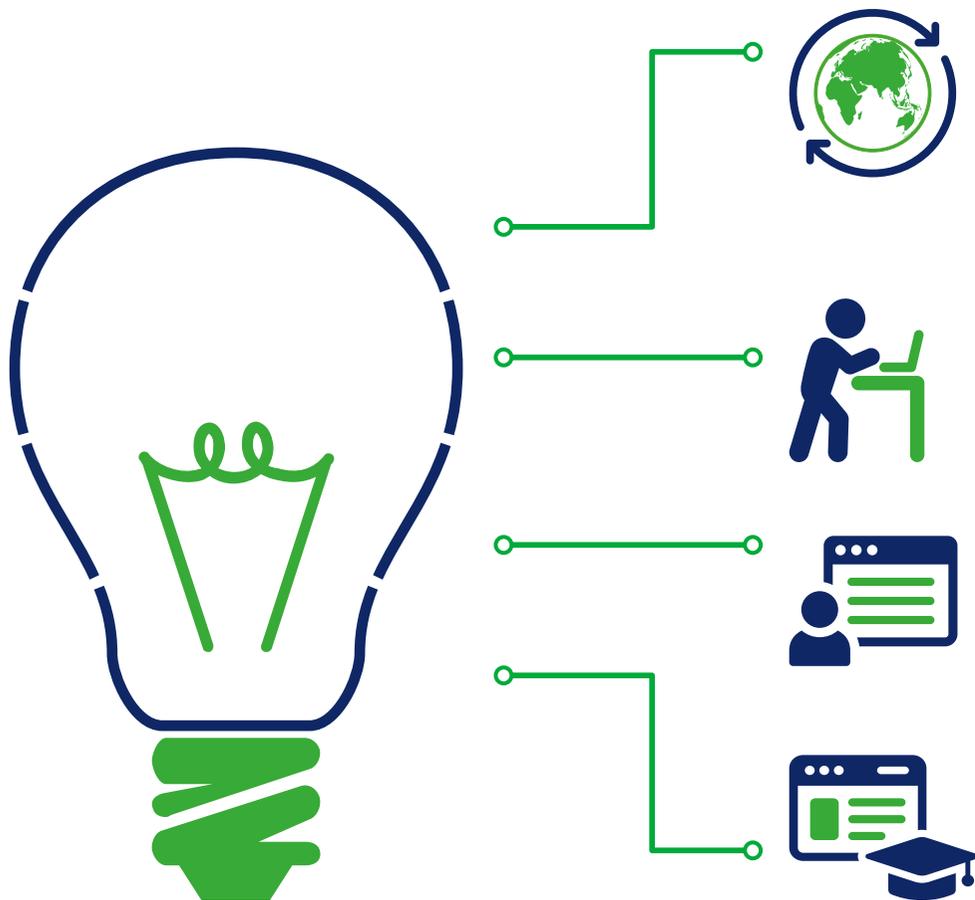


Named "GoldenKey SDG Forerunner" by the China Sustainability Tribune



Named "ESG Consultancy of the Year" by the British Chamber of Commerce, Shanghai

2.3 Leading industry development



Professional resources for sustainability disclosures

The IFRS Sustainability Disclosure Standards (ISDS) released by the International Sustainability Standards Board (ISSB) have contributed to the advancement of global sustainability. Deloitte, as a professional services firm, is focused on the development of sustainability disclosure standards and actively participates in research on sustainability and climate change. Deloitte helps companies and institutions across industries build responsible and resilient organizations to address the ever-changing external environment and drive towards a sustainable future.

Standards study and analysis

Deloitte China focuses on, analyzes, and shares advice on international sustainability disclosure standards and developments related to publishing standards. We analyze and share the goals and content of these standards and their impact on companies, to help clients identify coming challenges and provide suggestions.

Communication and feedback

With sustainability services experience and communication with Chinese companies and organizations across industries, Deloitte China provides professional advice, in line with China's conditions, to the ISSB.

Professional service capabilities development

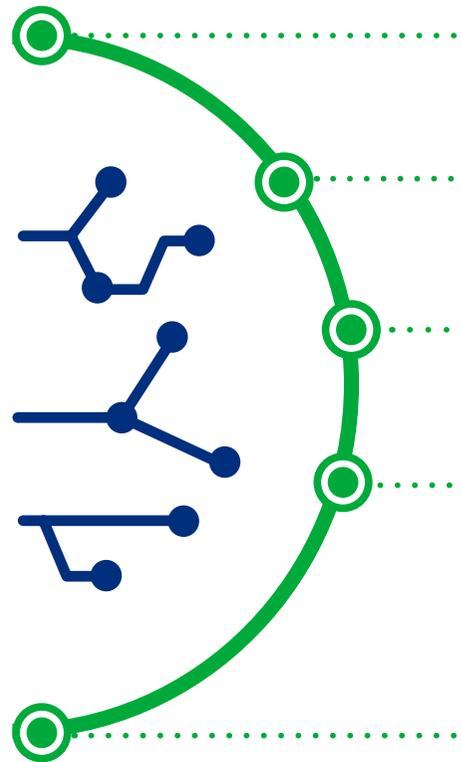
Deloitte China has developed and launched practical tools for Deloitte professionals to use after the implementation of sustainability disclosure standards. We have developed training courses and designed short-term and medium-term training plans covering IFRS S1 and S2, TCFD, Sustainability Accounting Standards Board (SASB), and Greenhouse Gas (GHG) Protocol requirements, among others, to help build professional services capabilities for implementing these standards.

3 Boosting new development through innovation

3.1 Empowering digital and innovative development

Digital transformation is a vital engine that is driving the high-quality development of the national economy, and companies are the main elements and key forces in digital transformation. The CPC report to the 20th National Congress stressed the central role of innovation in the country's modernization agenda. The 14th Five-Year Plan for Digital Economy Development issued by the State Council proposes to promote the integration of the digital and real economies, enhance basic research capabilities on digital technologies, develop emerging digital industries, and build internationally competitive digital industry clusters.

Viewing innovation as an integral part of its overall strategy, Deloitte China has established service functions centered on innovation and technology to develop algorithms, tools, systems, and platforms tailored to industries' innovation needs and provide clients with digital innovation assets and solutions. Furthermore, to address data security issues arising from companies' digital transformation, we have created end-to-end data security solutions to deliver data security advice and integrated implementation and operation services. Deloitte China has about 300 proprietary digital assets, including nearly 100 original and active assets.



Innovation Digital Development Center (IDDC)

An intensive innovation incubator and service empowerment center serving Deloitte China.

Deloitte Analytics Institute (DAI)

Shaping Deloitte China's digital DNA to empower Deloitte's businesses with AI, big data, and cloud computing.

Deloitte Consulting Core Tech CoE

Focusing on the innovation and implementation of data science and AI solutions to develop smart best practices for companies.

Greenhouse

Deloitte China's flagship client experience center to lead clients to think outside the box and explore new possibilities, empower efficient execution, and step-up efforts to make breakthrough.

DeInnoScience

With the mission of developing the national scientific and innovation economy and promoting the last mile of technology to industrial applications, DeInnoScience boosts ecosystem-driven innovation through joint efforts with external resources to help clients across industries gain insights, achieve efficient incubation, and accelerate transformation.



About **300** proprietary digital assets
Including nearly **100** original and active assets

To accelerate the implementation of digital innovation, Deloitte China's Deputy CEO and Chief Strategy Officer launched the data strategy 2.0 implementation plan in FY2022. Through the joint efforts of DAI and the Core Tech CoE, the plan facilitates cooperation across five business units in solution innovation empowered by data science and AI, data asset management, generative AI research, and smart culture development. It aspires to fully unleash the power of data analysis and AI throughout the value chain, empowering solution innovation and improving everyday work efficiency. So far, the project has made several achievements including developing the proofs-of-concept (PoC) of more than 10 innovation solutions.

3.1 Empowering digital innovation and development

✓ Paper on machine learning recommendation algorithms included in internationally authoritative ICKG¹ conference

This paper produced by Deloitte on machine learning recommendation algorithms titled *Multi-Kernel-FM: A Multi-Embedding & Kernelization Factorization Machine Framework for CTR Prediction* was included in the 13th IEEE² International Conference on Knowledge Graph. The paper, co-authored by Deloitte Partner Michael Xu and ByteDance's Douyin algorithm team, highlights Deloitte China's research strength in artificial intelligence, marking a new milestone and laying a solid foundation to drive industry innovation through the application of data science.

Multi-Kernel-FM: A Multi-Embedding & Kernelization Factorization Machine Framework for CTR Prediction

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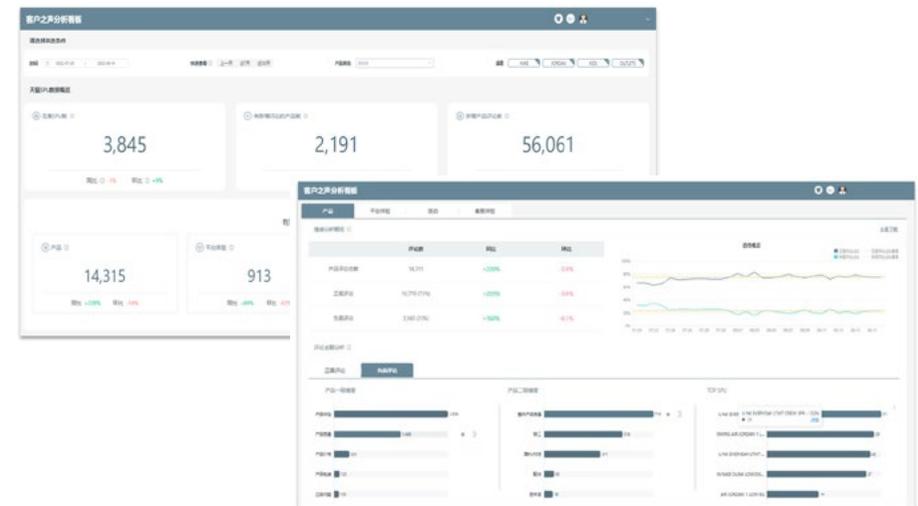
Abstract—Click-Through Rate (CTR) Prediction is one of the most critical components in recommender systems, where the task is to estimate the probability that a user clicks an item. In CTR models, embedding methods are widely used in feature representation to map categorical features into lower dimensional vectors, and thus those representations can be further exploited by various machine learning algorithms such as Factorization Machines (FMs) for CTR prediction. However, in the literature, most existing embedding models can only extract one latent vector for each individual feature as they calculate the feature interaction based on simple element product or inner product, limiting its ability to model user-item interactions in a high-dimensional space. It may miss

Click-through rate (CTR) plays a crucial role in recommender systems, where the task is to predict the likelihood that a given item will be clicked. For example, in cost-per-click advertising system, the recommended items are presented in a descending order in terms of expected profits so that the revenue can be maximized [5]–[7]. The expected profit from displaying each ad can be estimated by timing the predicted CTR with the bid, where bid is the advertising revenue that the publisher can receive when the recommended item is clicked by a user. Thus, an accurate CTR estimation is beneficial to the final revenue for the

Multi-Kernel-FM: A Multi-Embedding & Kernelization Factorization Machine Framework for CTR Prediction

✓ Insights Accelerator Solution (IAS)

The Insights Accelerator Solution (IAS) strives to create an intelligent analytics platform for industry analysis and market insights. Leaning on Deloitte's extensive industry knowledge and powered by natural language processing (NLP) technology, this solution delves into the depths of internet big data, enabling clients to better understand industry trends, competitor strategies, and customer feedback. IAS has gained favor from internal and external clients, assisting them to design and develop insight platforms and deliver comprehensive, end-to-end operational services.



Deloitte Insights Accelerator Solution

¹ ICKG, IEEE International Conference on Knowledge Graph, is an internationally authoritative conference in the field of knowledge graph research

² IEEE, Institute of Electrical and Electronics Engineers

3.1 Empowering digital innovation and development

Developing a CRM system for an international toy company

The client is a well-known toy company from overseas. With increasing demand for digitalization and a focus on the Chinese digital landscape, they wanted to establish a CRM system to build a solid membership program and achieve engage consumer across all its channels. Deloitte China established a strong team to provide full-process services from development to design of the client's CRM system. In addition to streamlining touchpoint management, Deloitte China created an omnichannel membership management platform for the client, allowing the brand to engage directly with members online through e-commerce platforms and WeChat and offline (in franchise stores) to create deep private domain operations and seamless consumer experiences. Deloitte China will continue to support the client in expanding online and offline channels, improving member experiences, enhancing operational proficiencies, and continually upgrading their digital systems.

Providing data security planning consultation for a large group

Against the backdrop of China's overall plan for digital development during the 14th Five-Year Plan and its increased emphasis on data security, Deloitte China served a major infrastructure group with professional consulting services. Leveraging international best practices, national standards, and industry expertise, and aligning with the group's digital development strategy, Deloitte China planned a comprehensive blueprint for data security development in areas such as governance architecture, management systems, technology infrastructure, and operational processes, helping the group build a data security protection system and create compliant data sharing applications while supporting its digital transformation efforts. Ultimately, this enabled the group to establish data security capabilities in line with world-class enterprises.



Key awards and recognition in innovation development



Deloitte China, Zhejiang Lab, and Shanghai International Studies University jointly won Second Prize in the 2021 Zhejiang Province Science and Technology Progress Awards



Deloitte China and Zhejiang Lab jointly won the Silver Award in the United Nations Industrial Development Organization (UNIDO) 2022 Global Science & Technology Innovation Conference Awards
Deloitte China won the Bronze Award in UNIDO's 2022 Global Science & Technology Innovation Conference Awards



序号	单位名称	项目名称	项目简介
1	上海网络空间安全中心	网络空间安全态势感知系统	该系统能够实时感知网络空间安全态势，及时发现安全威胁，并提供预警和处置建议。
2	上海网络空间安全中心	网络空间安全风险评估系统	该系统能够对网络空间安全风险评估，提供风险评估报告和处置建议。
3	上海网络空间安全中心	网络空间安全应急响应系统	该系统能够对网络空间安全应急响应，提供应急响应报告和处置建议。

Deloitte China's D.ACT security tool for internet of vehicles was selected for the 2022 Shanghai Network Security Industry Innovation Catalog



Deloitte China was selected as the 2023 network and data security support company for Shanghai

3.2 Boosting coordinated regional development

Deloitte China remains committed to harnessing its own strengths in alignment with the national major region development strategy and continues to contribute to the development of regions including the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), Beijing-Tianjin-Hebei region, Yangtze River Economic Belt, and Hainan FTZ. Deloitte fully supports the national strategy of "implementing the major regional development strategies as well as strategies for coordinated regional development and functional zoning".

✓ Launching the Innovation and Assets Development Center at Hong Kong Science Park

On 1 March 2023, Deloitte China officially opened the Innovation and Assets Development Center (IADC) at Hong Kong Science Park. This unique, digital-focused service hub reinforces Deloitte's commitment to the HKSAR Government's Innovation & Technology (I&T) Development Blueprint to drive Hong Kong's development as an international I&T powerhouse. At IADC, Deloitte will provide faster, more direct access to the firm's well-established global collaboration, investor networking, and commercialization support. Over the next three years, Deloitte will invest more than HKD200 million in the IADC and the development of innovation, technology, and related talent, all aimed at supporting Hong Kong's I&T goals.



Opening ceremony of Deloitte China's Innovation and Assets Development Center

✓ Sponsoring Hong Kong Fintech Week 2022

Hong Kong Fintech Week is one of the biggest and best-known fintech events in the Asia-Pacific region, attracting participation from fintech companies, startups, and related institutions from around the world. As part of the INspire HK strategy, Deloitte, leveraging its rich industry experience, became one of the sponsors of Hong Kong Fintech Week. Through this platform, Deloitte engaged with regulators, bankers, investors, service providers, and fintech community professionals from Hong Kong and globally, fostering innovative cross-sector collaboration.

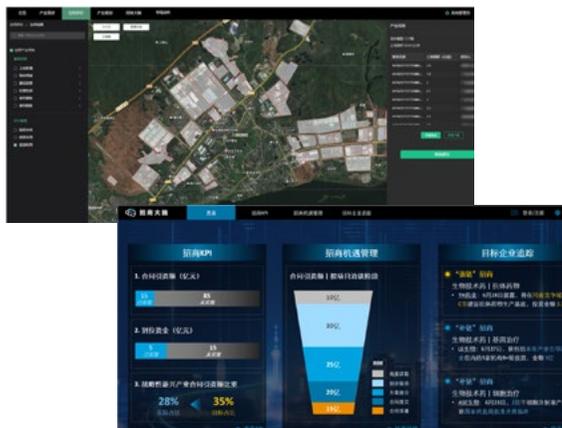


Snapshots from Hong Kong Fintech Week

3.2 Boosting coordinated regional development

✓ Building a digital investment attraction platform for a prefecture-level city in the GBA

Drawing on more than a decade of experience in regional economic industrial planning and investment attraction services, Deloitte China has combined its leading-edge digital innovation capabilities to build a “digital industrial brain” for a prefecture-level city in the GBA. This digital platform assists local governments in understanding the status of local industries and spatial development, developing strategies to reinforce strengths and bolster weak spots, and clarifying and tracking investment targets. Integrated with Deloitte’s REAccess platform, which offers public data from more than 600 cities, districts, and counties and more than 150 industry metrics, the platform tracks the latest industrial investment trends in the GBA, providing digital leverage for the city to be more precise in attracting investments.



Interface of the digital industrial brain platform

✓ Facilitating the issuance of blue and sustainable development bonds

In October 2022, Deloitte China facilitated the successful offshore issuance of RMB5 billion in local government bonds, including blue bonds and sustainable development bonds, by the Hainan Provincial Government. The funds raised will be allocated to ocean economy and conservation projects, green economic development, and social welfare including healthcare and housing. This issuance not only marked Hainan's first offshore local government bond issuance but also represented China's first venture into blue and sustainable development bonds at the local government level. The funds raised from this bond issuance will further support the development of Hainan Free Trade Port.



Hainan Daily report photo – Issuance of offshore RMB bonds in Hong Kong by the People's Government of Hainan Province



CCTV News report photo - Press conference for the issuance of offshore RMB bonds in Hong Kong by the People's Government of Hainan Province

✓ Co-authoring the Hainan Free Trade Port Investment Guide 2022

April 2022 saw the official release of the *Hainan Free Trade Port Investment Guide 2022*, written by the Department of Commerce of Hainan Province and Hainan Provincial Bureau of International Economic Development with the assistance of Deloitte China. The Guide analyzes Hainan Free Trade Port's construction advantages, favorable policies, industrial opportunities, and investment highlights, and its international and convenient business environment with a sound legal system.

It also helps global investors explore Hainan and decide how to better invest and conduct economic and trade activities there.



Hainan Free Trade Port Investment Guide 2022

3.3 Actively supporting opening-up

Since the introduction of the Belt and Road Initiative (BRI) in 2013, it has evolved into a major strategy that covers geoeconomics and geopolitics. This initiative has rejuvenated the ancient Silk Road through the development of trade in goods and infrastructure. The Regional Comprehensive Economic Partnership (RCEP) is a clear manifestation of expanding economic cooperation across the Belt and Road framework in the Asia-Pacific region. RCEP and the BRI synergize and serve as a dual engine for a new development paradigm of economic cooperation.

Deloitte China responds actively to national strategies and provides comprehensive professional services to support initiatives including the BRI and RCEP by leveraging multiple resources and conducting in-depth market and policy research. These efforts are dedicated to assisting Chinese enterprises' expansion in overseas markets, enhancing management capabilities, supporting the high-quality development of foreign enterprises in China, and promoting high-standard opening-up.

✓ Assisting central state-owned enterprises along the Belt and Road

In the pursuit of building a globally renowned enterprise and developing a world-class financial management system, Deloitte China assisted a large energy group to establish an overseas accounting system, plan fund and tax systems, and develop top-level design for its overseas fiscal and tax administration. These collective endeavors delivered not only strategic guidance but also practical control measures to manage overseas financial and tax risks, facilitating the group's high-quality development. Ultimately, our efforts minimized risks while enabling the group to seize global opportunities that lie ahead as it embarks on its global journey in line with the BRI.

✓ Publishing articles in a Belt and Road journal

Deloitte China published an article titled *COVID-19 Economic Support Measures in Kazakhstan and Russia* in the Belt and Road Initiative Tax Journal (English), the first English-language journal dedicated to Belt and Road tax cooperation and approved by the National Press and Publication Administration. Additionally, one of our senior partners was appointed as a member of the editorial board of the Belt and Road Initiative Tax Journal (English) and joined the expert committee of the Belt and Road Initiative Tax Administration Cooperation Forum.



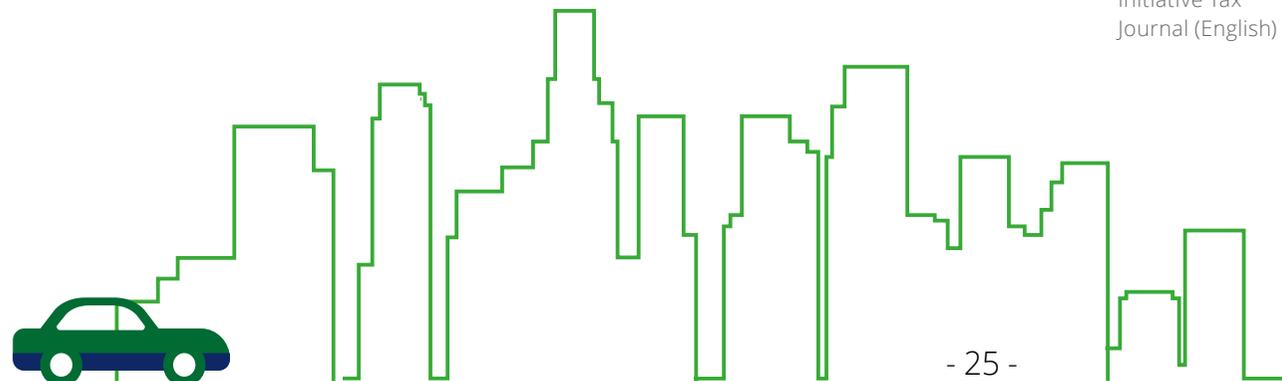
Belt and Road Initiative Tax Journal (English)

✓ Digital solutions driving a new opening-up paradigm

In November 2022, Deloitte China launched QinTrade, a digital solution providing rapid access to information including free trade agreement tariffs and rules of origin, which not only enhances trade compliance efficiency for enterprises from China and other RCEP member countries, but also propels the optimization of supply chain design. The tool streamlines trade pathways for Chinese companies, thereby enhancing customs and taxation management in their external economic and trade relationships. Ultimately, QinTrade contributes to a more comprehensive, expansive, and profound opening-up paradigm, fostering mutual benefits across borders.



QinTrade platform interface (mobile and web version)



II. Environment: Building a beautiful China with an ecological focus





II. Environment: Building a beautiful China with an ecological focus

WorldClimate 智护地球

In April 2021, Deloitte China launched WorldClimate, focusing on four key aspects: net-zero with 2030 goals, embed sustainability, empower individuals, and engage ecosystems. In response to carbon peaking and carbon neutrality goals, WorldClimate focuses on driving responsible climate choices within our organization and beyond, creating solutions that facilitate the transition to a low carbon economy and bringing professional insights and strengths to the harmony between the economy and the environment.



WorldClimate strategy

Net-zero with 2030 goals

Deloitte's near-term (2030) greenhouse gas (GHG) reduction goals have been validated by the Science Based Targets initiative (SBTi) as 1.5°C-aligned, science-based targets. Deloitte China's next step will be to set long-term emissions reduction targets following the SBTi standard to continue playing our part in achieving a net-zero world.

Our near-term goals are to:

- Reduce absolute Scope 1 and 2 GHG emissions 70% by 2030 from a 2019 base year; Reduce Scope 3 GHG emissions from business travel 50% per FTE by 2030 from a 2019 base year
- Engage with our major suppliers with the goal of having 67% (by emissions) set science-based targets by 2025
- Invest in meaningful market solutions for emissions we cannot eliminate

Our additional 2030 goals to reduce emissions include:

- Sourcing 100% renewable energy for our buildings
- Converting 100% of our fleet to hybrid and electric vehicles

Embed sustainability

Deloitte China recognizes we must align climate policies, practices, and actions across our organization, by:

- Designating a senior leader to be responsible for climate in each geography
- Prioritizing discussion of climate change on executive agendas
- Embedding climate-smart considerations into operational decisions
- Continuing to report the organization's annual emissions externally for transparency and accountability

Empower individuals

By engaging and educating our professionals at Deloitte China on climate change impacts — decisions about what they consume, use, and buy — we will enable our people to make positive climate choices at home and at work and amplify these through their personal networks.

Engage ecosystems

Deloitte China will collaborate with clients, alliance partners, NGOs, industry groups, suppliers, and others to:

- Increase demand for responsible products and services
- Remove roadblocks that get in the way of enacting change
- Create innovative climate solutions at a systems and operations level

1 Addressing climate change

Mitigating the impact of climate change is a challenging, complex task. Since the launch of *WorldClimate*, Deloitte China has been taking action as a responsible professional services organization to fulfill its climate commitments.

Environmental Task Force committed to responsibility for the environment

Deloitte China has established an Environmental Task Force responsible for identifying and assessing the firm's carbon footprint. This dedicated team assists Deloitte to focus on areas of its business activities with significant environmental impact and develop measurable action plans (short-term and long-term) with specific steps and measures towards environmental goals. This approach fosters active engagement from every colleague, encouraging participation in eco-friendly endeavors such as proposing quick-win solutions and contributing to the development of Deloitte China's environmental policies.

Launching the Deloitte China carbon neutrality management tool

Deloitte China launched the China *WorldClimate* Dashboard, a tool that provides management teams with a reference for monitoring and reporting progress in emissions reduction across regions and business units. By creating quick insights, generating in-depth analysis, and tracking real-time progress, this tool helps Deloitte's Professional Environmental Services Department and other business units better understand, track, and manage carbon emissions and reduction.



China *WorldClimate* Dashboard

Driving emission reduction through cloud migration

Deloitte China's commitment to reduce environmental emissions and enhance operational efficiency has led us to transition from self-owned data centers to cloud-based application systems. This is instrumental in achieving our carbon reduction goals while establishing a modern IT infrastructure. As a result, we have devised a series of strategies and implemented policies to realize these objectives. The migration of our application systems to the cloud has yielded remarkable results, making a large contribution to Deloitte China's carbon reduction and digital transformation journeys.



Strategies

Reduce on-premises deployment; opt for public cloud computing services; troubleshoot issues via remote monitoring.

Policies

Facilitate the implementation of Deloitte's standardized cloud environments, ensuring secure infrastructure to support digital transformation; accelerate Deloitte China's digital transformation strategy using cloud computing.



Practices

Establish a cloud service center to support and promote the deployment of business applications in the cloud; provide cloud technology support and service assurance for Deloitte's digital assets and assist businesses in achieving digital innovation.

Carbon neutrality achieved for operations and business travel for four consecutive years

Deloitte China achieved carbon neutrality for air travel in FY2019.

In FY2022, Deloitte China achieved carbon neutrality for operational and business travel emissions by purchasing 15,900 tons of Gold Standard Verified Emission Reductions (GS VERs), 12,100 tons of Verified Carbon Units (VCUs), and 7,333 International Renewable Energy Certificates (I-RECs).

In FY2023, Deloitte China purchased 7,649 I-RECs, equivalent to using 100% renewable energy to cover a total of 7,648.5 megawatt-hours (MWh) of electricity purchased externally. To offset the remaining greenhouse gas emissions totaling 30,954 tons, Deloitte purchased an equivalent amount of VCUs and then achieved carbon neutrality for its operational and business travel emissions.



100%

Use of renewable electricity

2 Sustainable operations

As a professional services organization, Deloitte China is committed to mitigating the negative environmental effects of its own operations and engaging in eco-friendly and low-carbon operations through practical actions while delivering timely and effective services to its clients.

We have developed and published the Deloitte China Environmental Policy Statement and Deloitte China Environmental Policy Implementation Guide, which delineate our environmental strategy, identify key areas of environmental focus, and offer corresponding management procedures and best practice operational guidelines.

Creating green office space

Deloitte China is committed to creating eco-friendly office spaces by employing sustainable interior design, energy-efficient appliances, smart switches, and implementing energy-saving protocols for office electricity consumption during non-working hours. In May 2023, Deloitte China's Global Delivery Center in Chongqing completed the replacement of 14 floors of conventional light tubes with LED tubes. This initiative is estimated to yield annual electricity savings of 177,408 kWh.

Our offices are progressively transitioning into green-certified buildings. As of the end of FY2023, Deloitte China has 11 offices with LEED certification, two with WELL certification, and two with BEAM Plus EB V2.0 Platinum certification. These certifications cover offices in Beijing, Shanghai, Guangzhou, Shenzhen, Hong Kong, Chongqing, Dalian, Nanjing, Suzhou, Wuhan, and Zhengzhou.



11

LEED
certifications



2

WELL
certifications



2

BEAM Plus EB
V2.0 Platinum
certifications

Reducing waste emissions

We continue to promote paperless offices and collaborate with professional suppliers to recycle and dispose of office waste.

In FY2023, Deloitte China's offices recycled 4,419 batteries, 2,208 kg of plastic, 70 kg of glass, 280 kg of aluminum products, and 54,702 kg of paper products. Additionally, our collaboration with suppliers resulted in the recycling of 826 used ink cartridges.

Promoting paperless reimbursement

The EasyClaim mobile app developed by Deloitte China is an innovative, self-developed smart reimbursement management application that promotes intelligent reimbursement to move towards an eco-friendly, paperless environment. Since the launch of EasyClaim in FY2023, Deloitte China has advocated the use of electric invoices for reimbursement. Through online submission, uploading, and approval, the app has achieved paperless reimbursement by eliminating the need for printed paper expense forms and reducing the consumption of paper documents and physical mailing materials. This initiative is estimated to save a minimum of 200,000 A4 paper sheets and 992 kg of paper products for at least 200 thousand reimbursements annually.

Encouraging green travel

In our daily operations, we encourage employees to opt for eco-friendly travel methods, such as using high-speed trains rather than air travel for short trips of less than three hours. Furthermore, we encourage the use of new energy vehicles by actively collaborating with new energy vehicle suppliers to provide vehicle purchase benefits and promote related activities to employees. Through partnerships with

ride-hailing platforms, we ensure our employees enjoy worry-free green travel. In FY2023, Deloitte China's green travel project with ride-hailing platforms completed 3,622 orders for new energy vehicle travel, covering a distance of 65,759.84 kilometers.



Deloitte China CGO Kurt Tan working during a high-speed train trip



3,622

New energy vehicle travel
orders during
a high-speed train trip



65,759

Total distance in
kilometers

3 Empowering individuals

Change starts from within. In FY2023, Deloitte Foundation and our WorldClimate Champions organized a series of environmental-themed online and offline activities to improve climate literacy and empower employees to take positive actions to address climate change.

Inauguration of the first WorldClimate Champions

At the beginning of FY2023, after an open recruitment process and multiple rounds of selection, 18 colleagues from 10 different departments across nine offices stood out and became the first WorldClimate Champions of Deloitte China, each serving for a two-year term. After being inaugurated as WorldClimate Champions, they have planned a diverse range of climate actions accessible to all employees, aiming to inspire and guide more individuals to participate in the WorldClimate program and contribute to addressing climate change.

Deloitte story sharing

"I was selected as the WorldClimate Champion for our Tianjin office this year. From then, I started to collaborate with fellow champions on planning activities. During the first Deloitte Global Climate Change and Sustainable Development Learning Week, I organized a Food Choices discussion. My role as a champion has given me with a more systematic understanding of sustainable development, and I've connected with many like-minded colleagues passionate about climate and sustainable development."



Jade Jiang
WorldClimate Champion
Tax and Business Advisory

Hosting Earth Month events for two consecutive years

Earth Month at Deloitte expands upon the idea of Earth Day, with a focus on raising environmental awareness among employees. Following the successful launch of Earth Month in FY2022, Deloitte China organized a series of events centered around the themes Understanding Nature, Promoting Biodiversity, and Waste Recycling and Reuse in FY2023. Over the course of 22 days, activities were held in five cities on eight themes, engaging 1,396 employees through online and offline channels.



Handmade soap workshop using coffee grounds (Hong Kong office)



Walk with Love – 5km charity walk for zero carbon event (Beijing office)

Deloitte story sharing

"I had no idea that coffee grounds could be so creatively repurposed to make soap before participating in the activity. This experience not only expanded my knowledge of waste utilization but also helped me realize that, with creative design, waste utilization can be eco-friendly and enjoyable."

David Tian
WorldClimate Champion
Financial Advisory

"It was exhilarating from racing to sign up for the event to the vibrant atmosphere on-site! Upon completing the 5-kilometer walk, I came across environmental installations crafted by artists, which in a way encouraged people to reduce plastic and waste through art. The visual arts sparked my deep thought that environmental protection cannot be limited to mere slogans but instead, we need to put more effort into a green and low-carbon lifestyle in our daily lives. Harmony between humans and nature can be promoted only through actions."



Zhang Qianqian
WorldClass Champion
Northern Region Managing Partner Office

3 Empowering individuals

Sustainability group discussion

Following the mandatory online climate change courses, Deloitte Global has launched a group discussion series on sustainability this fiscal year to encourage colleagues to exchange ideas on sustainability issues through small, interactive group discussions. Under the themes of Sustainable Food Choices and Integrating Sustainability into Work, we held six online or offline group discussions in FY2023 to raise employee awareness of sustainability and facilitate open discussion and idea sharing.



Sustainable Food Choices group discussion

Deloitte story sharing

"Through these sharing sessions, I understood how clothes, food, accommodation, and transportation in our daily life impact carbon emissions through the value chain. I also realized, against the backdrop of globalized consumption and supply chain, how our daily consumption activities will affect the environment of the place of origin through the Butterfly Effect. It's very thought-provoking!"



Michael Tang
Financial Advisory

Urban Roof Farming Workshop

With Swire Properties, Deloitte invited local social enterprise Rooftop Republic Urban Farming to jointly launch The Loop initiative. We planted 28 crops at the rooftop farm and organized a series of workshops and visiting activities, aiming to contribute to conserving the environment. Volunteers from the Deloitte Hong Kong Office donated the crops to the DIGEST program of Feeding Hong Kong. Through this program, we transformed underutilized areas into energetic natural space to grow organic food, thereby empowering sustainable communities.



Urban Roof Farming Workshop

Deloitte story sharing

"Building partnerships is a vital element of our WorldClimate strategy. The collaboration with Swire Properties and Rooftop Republic provided a new platform for colleagues to undertake meaningful climate actions. Through this program, colleagues could explore the connections between climate, food security and biodiversity and discuss urgent topics about global climate change: climate action failure, biodiversity loss, and ecosystem imbalance. Although the program is still in its early stage, we are quite satisfied with the achievements made this year. We hope to continue cooperation with these partners and exert a positive impact on the environment."



Priscilla Lin
WorldClimate Champion
Risk Advisory

Online WorldClimate sharing for employees

Deloitte China organized eight sharing sessions in FY2023. Internal and external experts were invited to share insights on COP27, climate change adaptation among herdsmen of the Qinghai-Tibet Plateau, the circular economy, biodiversity governance, youth participation in addressing climate change. Altogether 3,659 employees participated in these sharing sessions and had in-depth exchanges with guest speakers.



Online WorldClimate workshop

3 Empowering individuals

Clean-up activities

To encourage colleagues to join in our efforts to protect the earth and the environment, in FY2023 Deloitte China organized a series of volunteering activities including bird protection, low-carbon circular agriculture, book sharing, and the Youth Climate Action Network working group mentoring program. Apart from the above activities, we also launched clean-up activities in five cities: Chengdu, Chongqing, Hong Kong, Xiamen, and Shanghai. 176 Deloitte colleagues collected 339.4kg of garbage, making our contribution to building clean cities.



176

colleagues
involved



339.4 kg

of garbage collected



World *Climate* voluntary activities

Deloitte story sharing

“Xiamen is a perfect place for citizens and tourists who love the seaside. Huangcuo Beach looked clean at first glance, but the closer we got to the coastline, the more litter there was, especially cigarette butts and plastic debris. This beach clean-up campaign called on colleagues in Xiamen to act together, and we hope more people will join us in guarding the beautiful sea!”



Kiki Li
Professional Environment Services

4 Engaging ecosystems

Based on Deloitte China's impact, we collaborate with clients, alliance partners, NGOs, industry groups, suppliers, and others on the journey to low-carbon economic transformation.

Driving the green, low-carbon development of supply chains

We follow the Deloitte China Green Procurement Standard, which sets out requirements for the materials, energy consumption, and other environmental protection elements of target products, using our impact to stimulate suppliers to join the eco-friendly cycle.

In addition, Deloitte China observes Deloitte Global's Supplier Code of Conduct, which presents consistent standards for suppliers conducting business activities with Deloitte and describes our expectations for them in other areas including environment, labor, sincerity, ethics, and anti-corruption. Our expectation for suppliers considering the environment focuses mainly on actions such as improving resource utilization, minimizing the generation of waste, developing and adopting environment-friendly products and practices with minimal environmental impact, cutting emissions of greenhouse gases and toxic and harmful pollutants, encouraging them to track greenhouse gas emissions, and setting sustainable greenhouse gas reduction targets according to the Paris Agreement. If suppliers are found to have acted against these expectations, we will urge them to alter their behaviors or even suspend contracts with them in special circumstances. 100% suppliers have signed Deloitte China's Supplier Code of Conduct.



100%

suppliers have signed our Supplier Code of Conduct

Spreading green philosophy

Deloitte China supports several public activities, communicates with the public, and promotes green development concepts. By working with other charitable organizations, Deloitte Foundation organizes various public charitable activities on protecting the environment, spreading green philosophies with real action.

Organizing Sustainability & Climate Learning Week for clients

In the last week of September 2022, Deloitte launched its first global Sustainability & Climate Learning Week for clients. Filmmaker, deep-sea explorer, environmental advocate and philanthropist James Cameron made the keynote speech, sharing how we can all be part of the solution and drive change. Several other speakers from inside and outside the Deloitte Global network also made impressive presentations.



Director, explorer, and Lightstorm Entertainment CEO James Cameron & Fortune Media CEO Alan Murray participate in Learning Week

Attending the Lingnan Impact Summit 2023

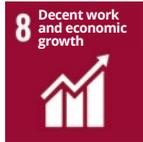
Lingnan Impact Summit is a large-scale, high-level economic and financial conference in South China. By building an open, shared, and integrated high-end, non-profit platform, it inspires innovations in China's economic and social development theories and practices in this new era, and empower people from government, industry, academia, and business. Deloitte China Sustainability and Climate Partner Allan Xie attended the summit as a guest speaker, discussing hot topics in ESG, tech, energy, finance, climate-smartness, and international cooperation with more than 30 experts, economists, and leading entrepreneurs from home and abroad, contributing insights on sustainable, high-quality economic growth.



Lingnan Impact Summit 2023

III. Society: Joint efforts for shared values





1 Joining hands to empower individuals

Deloitte China has always put our people first. To enhance Deloitte's "4+1 Culture", we launched our employee value proposition (EVP) – Shaping future talent through impact that matters. With a focus on four dimensions: development, caring, happiness, and inclusive, we seek to build the most attractive and caring workplace, empower the sustainable development of organizations and individuals, and develop a diverse, fair, and inclusive working environment through various talent development programs.

Under the EVP framework, we adhere to the concept of "sharing value with employees", emphasize the importance of authenticity to employee well-being, encourage employees to show their true and full selves at our workplaces, continuously improve our professional talent development system, and actively attract outstanding talent. By practicing Deloitte China's EVP, we provide a guarantee of rights and interests, and create a fair, transparent, open, and happy working environment. These talent development concepts and practices have been highly recognized by external organizations and the public.



Key awards and recognition in talent development



Named "Top Employer China" for 17 consecutive years



Great Place to Work® recognized Deloitte China as one of the "Best Workplaces in Greater China"™ for 2022



Named the "World's Most Attractive Employer" (WMAE) for the 14th consecutive year



Granted "Work Different" award for 2022



Deloitte China in Hong Kong has been recognized as one of the "Best Companies to Work for in Asia 2023" and won three Best HR Awards 2022: the "Top Workplace Companies Award (Grand)", "Best Graduate and Management Trainee Programme Award (Gold)", and "Best Corporate Wellbeing Programme Award (Gold)".

1.1 Development

We focus on shaping and developing talent by providing personalized and diversified career development paths, world-class learning and development platforms for every employee, and integrating internal and external learning resources to build a learning-oriented organization that makes our talent future-ready.

Identifying capabilities to support personalized development

We have developed the “GTS self-evaluation” according to Deloitte Global Talent Standards (GTS) that applies to all business lines. To help employees make personalized development plans, it identifies our people's advantageous qualities and future development needs in leadership and professionalism.

Improving coaching effectiveness to co-shape the coaching culture

Under our strength-oriented coaching culture, we have made great efforts to empower talent. To further enhance the coaching culture, in FY2023 we developed supporting tools, established a communication platform between coaches and those they coach, and formed a closed coaching loop to enable shared growth and shape future Deloitte leaders.

Launching up-to-date courses with a global vision

According to the firm's talent development needs and strategic requirements, we have constantly launched cross-service line, business-oriented training courses, aiming to achieve synchronous development between individuals and our organization.

✔ Digital journey course

As an organization with digitalization capabilities, Deloitte China developed the Digital journey course, including AI, cloud, and DA modules, to help employees update their knowledge systems and lay a solid foundation for business transformation and future-ready capabilities.



Digital journey course

Encouraging learning to enhance professional skills

All service lines encourage and support employees to keep learning. We regularly review and update the scope of professional certifications that the firm recognizes and clarify core certifications closely related to our businesses to ensure employees are fully supported in their professional development while helping individuals and functions achieve common development.

Leaving the comfort zone to make an impact

In response to the Smart Talent Experience strategy, we have launched a new Internal Career Marketplace. Through international assignment, virtual assignment, cross-business and cross-region short-term secondment or transfer, it provides employees with diversified internal career choices, giving them working experiences with distinctive regional features and personalized career development paths. As of FY2023, the Internal Career Marketplace has helped nearly 400 colleagues pursue new internal career opportunities.



Over **100**

Over 100 employees have completed cross-regional assignments



Over **300**

employees have participated in career assignments within the same function

Words from a participant in CSG's internal talent mobility program

“I joined the Global Product Team in November 2021 through the online international cooperation and secondment. I felt a sense of accomplishment as I could use my auditing experience to develop new features for this cloud-based auditing platform. Moreover, collaborating with global colleagues through this program broadened my vision. I really appreciate the online virtual assignment program for giving me the opportunity to experience cross-border collaboration in innovative auditing areas.”



Li Jingkang
Audit & Assurance

1.1 Development

✔ "GO WEST" internal talent mobility program

With the goal of cultivating more "future-ready talent", Deloitte China launched the "GO WEST" campaign. As a representative program in our Internal Career Marketplace, GO WEST has aroused wide attention among colleagues for providing a good working environment, favorable living conditions, and more new opportunities. Over 500 colleagues attended "GO WEST" campaign online road show. By the end of FY2023, this program had received hundreds of resumes and ultimately several dozen colleagues were given offers.



Words from colleagues

"Western Region (WR) organizes various work-life balance activities to celebrate major festivals. Apart from interesting offline activities, online activities were also organized for colleagues on business trips. Enthusiastic WR colleagues, and the unique charms of natural and cultural heritage made me excited about my future work and life. I welcome more colleagues to join WR through the "GO WEST" campaign. Let's work together to build a brighter future for WR."



Joye Wang
Consulting



"GO WEST" internal talent mobility program

1.2 Happiness

We encourage Deloitters to gain a sense of achievement and happiness by creating values at work, and to enjoy working with like-minded colleagues to learn and grow together. By organizing various activities, we offer abundant opportunities for employees to develop their interests and realize their personal values.

Diverse employee activities

We focus on creating a pleasant team atmosphere and practicing our corporate culture of “wellbeing”. We also provide platforms for employees to organize and participate in all kinds of staff clubs. Currently, Deloitte has established interest clubs in sports, children's education and mental health, and other areas, and organized many related activities.

Deloitte D. Zone

D. Zone is a platform established for colleagues in Northern Region, allowing partners from different functions to enjoy happiness and wellbeing. With the support of the firm, colleagues voluntarily organize and run activities through the platform. In FY2023, they organized more than 100 activities with over 1,000 participants.



Deloitte China football team



Deloitte China badminton team



Deloitte China basketball team



Deloitte China table tennis team

Organizing a large-scale group activity

In FY2023, nearly 1,000 Hong Kong colleagues participated in an activity to celebrate Deloitte Hong Kong's 50th Anniversary, the FY23 Wellness Carnival, which included track and field events, group games, and the Halloween Run to promote team cooperation and help employees achieve work-life balance.



FY23 Wellness Carnival

Showing self-worth

We actively advance all kinds of public welfare programs, encourage employees to create value for themselves, Deloitte, and society through meaningful actions that give a sense of achievement and happiness.

Deloitte Running Club caring for disadvantaged children

On 13 May 2023, two hiking teams composed of 10 partners and directors from the Shanghai office, gathered in Pudong, Shanghai, to participate in the E.G.G. Walkathon. All team members ran or walked 50 kilometers in less than nine hours during hot weather, raising more than RMB70,000 with their impact and spirit of pushing their limits. The donations will be used to help migrant children aged 0-3 and disadvantaged children gain more opportunities for early education.

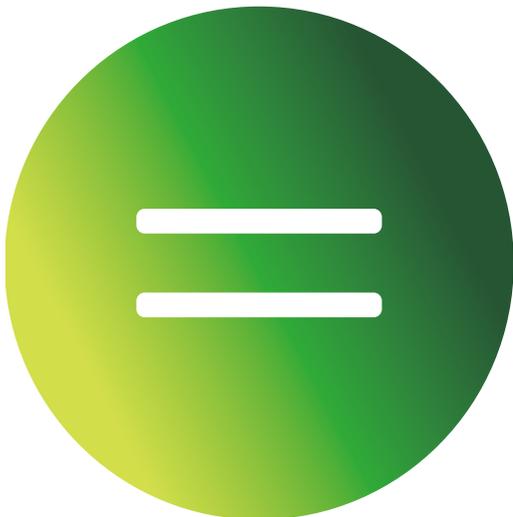


E.G.G. Walkathon

1.3 Inclusive

ALL IN

We respect different voices and foster a diverse and inclusive culture, treat every Deloitte equally, and empower employees to unleash their potential. Deloitte China always takes the lead in developing a diversified, fair, and inclusive culture. Under Deloitte Global's "ALL /N" strategy, we launched a series of You be you activities to encourage colleagues to be their true selves, respect one other, and work together to create a working environment where they can unleash their potential, while promoting and practicing the firm's commitment to diversity and inclusion. We have developed industry-leading best practices to support women leadership development, LGBT+ inclusive culture, and anti-discrimination and anti-harassment policies.



Creating a fair workplace

Under the "ALL /N" strategy, with the guidance of the Women Leadership Committee, we have organized Deloitte "4+1" culture promotion activities, the "Sharing HER Stories" webinar series, and women leadership development courses, to empower female colleagues, liberate women's invisible advantages, encourage women at work to achieve their personal development and career goals, and promote diversity and inclusion within the firm and throughout society. The progress of women empowerment and women leadership development can be seen from the percentage of women in our workplace. As of FY2023, more than 60% of Deloitte China employees are women, with nearly 50% of women at levels above manager and over 30% of women at partner level.



Over **60%**
of employees are
women



Nearly **50%**
of women at levels
above manager



Over **30%**
of women at partner
level

Expanding women's impact

Deloitte China Chair Vivian Jiang was invited to attend the Women's Power Sphere · iFeng.com 2023 Women Impact Awards Ceremony. Vivian was named Women's Power Sphere · Businessperson of the Year for her contributions to promoting gender equality, an inclusive culture, and empowering women's development.

A delegation led by Deloitte China Clients & Industries Managing Partner Rosa Yang attended the 2023 BRICS Women's Leadership Forum. 300 guests including outstanding women representatives from BRICS countries attended the forum and shared their insights, thoughts, and practices on improving women leadership in BRICS countries. During the session, the BRICS Women's Development Report 2023 compiled by Deloitte China and the BRICS Women's Business Alliance was released to draw public attention to women's development and progress, empower women from multiple dimensions, and inspire "Women of Impact" in a new era.



Women's Power Sphere · iFeng.com 2023 Women Impact Awards Ceremony



2023 BRICS Women's Leadership Forum



BRICS Women's Development Report 2023

1.3 Inclusive

Fostering a caring workplace

We embrace different communities and respect different voices. We put into action our global shared values – “take care of each other” and “foster inclusion” – and continue to implement measures that advocate an inclusive culture in and outside Deloitte. Supporting the LGBT+ community is a key effort of our ALL /N strategy. We encourage our people to contribute to LGBT+ inclusion by becoming LGBT+ allies and support the rights and wellbeing of LGBT+ colleagues by putting words into action and actively pointing out and reporting any non-inclusive behavior.

✔ Pink Friday



Activity in Hong Kong



Activity in Chengdu

Developing a safe workplace

Mutual respect is the foundation to building a truly inclusive work environment. We do not tolerate any behavior that is counter to our values and code of ethics and are committed to providing an inclusive workplace for our people, with mutual respect and free from harassment. In alignment with our Global Principles of Business Conduct and member firm codes of conduct, we put in place the Anti-discrimination and Anti-harassment Policy, which defines “harassment” and “discrimination” and establishes investigation and handling mechanisms and reporting channels. We organize ethics related training and campaigns regularly to raise employees’ awareness of misconduct to quickly identify and stop any acts of discrimination or harassment, maintaining a harmonious and orderly workplace together.

✔ Raising awareness of professional ethics

To ensure each of our employees is treated courteously with dignity and respect, Deloitte China held an ethics awareness campaign with preventing workplace harassment as one of the themes. Using realistic case studies, we exhibited to our employees some potential or obvious harassment or disrespectful behavior in different workplace scenarios, helping them to understand where to draw the line and be alert to warning signs. In addition, we leverage our ethics app iEthics to enhance dissemination of related knowledge and release daily quizzes to reinforce the ethical awareness of our people.



Ethics awareness campaign materials

1.4 Happiness

We focus on wellbeing and place emphasis on physical and mental health by treating each Deloitte with heart. We foster a caring workplace through various talent measures such as staff festival welfare and benefits, digital service platform, and physical and mental health check-ins, and constantly explore innovative benefits.

Protection of rights and interests

Deloitte China attaches great importance to sharing value with employees by keeping up-to-date with market changes and talent needs. We constantly improve our remuneration structure to attract high-caliber talent. Our employees enjoy comprehensive remuneration packages, covering not only statutory benefits like basic salaries, the five social insurance schemes and housing funds, but also items including staff exclusive critical illness insurance for parents, paid annual leave, commercial insurance for children, a “pocket doctor”, birthday greetings, and Staff Club, to enhance their sense of gaining from work at Deloitte.



Staff benefit service platform

Protection of mental health

We also care about employees' mental wellbeing and help them ease stress at work and life. We use popular science series and online activities to break people's bias on mental health issues and allow space for self-healing. We encourage bold conversations through small sharing sessions and a series of supportive resources including the Employee Assistance Program (EAP) mental counseling hotline to help employees heal their minds and bodies with external support.

✓ The “美好生活 Well-being” Emotional Empowerment Club

We advocate speaking up and breaking biases, and launched the “美好生活 Wellbeing” WeChat Account with the support of senior management:

- We posted more than 70 articles and tips on physical and mental health to empower colleagues to heal themselves and help colleagues and family members
- organized 10 wellbeing empowerment courses and sharing sessions on diverse topics, participated in by more than 15,000 employees in total, and
- developed an Emotion Diary to enable our people to monitor and manage their emotions regularly



Deloitte Emotional Empowerment Club

70+
physical and mental
articles and tips

9
wellbeing
empowerment courses
and sharing sessions on
diverse topics

15,000+
employee participants

2 Contributing to good causes

Dedicated to serving the country with professionalism, Deloitte China is committed to responsible business practices and continues to implement its social impact strategy – *WorldImpact*. We are devoted to charity, with multiple measures and initiatives to step up our level of assistance and build charity programs and volunteer teams. Small actions create huge power to fuel good causes. We adapt our measures to actual conditions and situations and have made a substantial impact in talent development for rural areas and volunteer work. In FY2023, Deloitte China's total societal investments amounted to RMB34.15 million.



2.1 Empowering rural areas with our original aspirations

Deloitte China has supported the country's rural revitalization strategy since 2021. Working with different parties, we enable cooperation with key counties receiving assistance in pursuing rural revitalization and contribute our intellectual and professional strengths to rural revitalization and development.

29 March 2021

Facilitated by the Office of the Central Foreign Affairs Commission, Deloitte China and the People's Government of Pengshui Miao and Tujia Autonomous County of Chongqing signed the first rural talent revitalization strategic cooperation agreement.

22 August 2022

Deloitte China signed a rural revitalization strategic cooperation agreement with the All-China Journalists Association (ACJA) and the People's Government of Wen County of Gansu.

23 February 2023

Deloitte China collaborated closely with the working team of the Ministry of Finance in Yongsheng and signed a rural revitalization strategic cooperation agreement with the People's Government of Yongsheng County in Lijiang Municipality, Yunnan.



Deloitte's cooperation with each of these counties will last for three years, during which we are supporting the implementation of their rural revitalization strategies locally through charity projects, pro bono services, and funding support.

2.1 Empowering rural areas with our original aspirations

✓ Rural revitalization strategic cooperation

Following our rural talent revitalization strategic cooperation with the People's Government of Pengshui Autonomous County of Chongqing, Deloitte China signed further such agreements with Wen County, Gansu and Yongsheng County, Yunnan, each for a period of three years, to support local rural revitalization and talent development.

In Yongsheng, Yunnan, we established the Deloitte Scholarship at Yongsheng County Ethnic Middle School to help students from disadvantaged families complete senior high school. Furthermore, we donated 35 computers and 52 sets of desks and chairs to Yongsheng Lang'e Primary School to improve the education infrastructure of this remote primary school. In Wen County, Gansu, we established the Deloitte Scholarship at Wen County No. 1 Middle School. In addition, Deloitte's WCWP architecture and planning team carried out the Wen County Bikou Town Scenic Area Travel Conceptual Planning Project as a pro bono service to support the strategic development of rural tourism in Wen County. In Pengshui, Chongqing, our Risk Advisory team completed industrial planning for local development of the Chinese herbal medicine sector to help Miao area draw a blueprint for industrial development in a new era. In addition, Deloitte Foundation organized a competence building program for township health center heads with the China Population Welfare Foundation and the Health Commission of Pengshui Autonomous County to support the development of management talent in primary healthcare.



Deloitte Scholarship Launch Ceremony at Yongsheng County Ethnic Middle School



Deloitte Foundation site visit to Wen County, Gansu

Words from our partner organization

"The Deloitte Scholarship has provided equal education opportunities for minority ethnic students, particularly girls, preparing them with high-quality education and development potential. This helps break gender barriers, promote gender equality, and create more opportunities for success. Meanwhile, the financial support endowed to our students by the Deloitte Scholarship has helped them overcome financial difficulties and acquire quality education and equal development opportunities. They will have a chance to engage and study with students from different backgrounds and cultures, enhancing their cross-cultural understanding and inclusive mindset. This is very significant in building an inclusive and diverse society."

Rui Gaoming

Principal of Yongsheng County Ethnic Middle School



2.2 Cultivating the future by supporting education

WorldClass 智启非凡

As part of Deloitte's WorldImpact social impact strategy, Deloitte China's WorldClass programs focus on rural talent development, with a goal to empower 15 million people in rural areas by 2030. We continue to design and implement charity programs focused on education and skills development. Leveraging our expertise and capabilities, use of innovative approaches, and technological strengths, we are working with government, business, educational, and charitable organizations to serve more communities.

In FY2023, our WorldClass initiative implemented 22 charitable programs covering professional skills development for rural teachers, improving reading skills and developing social and emotional skills for rural children, knowledge learning for agricultural production and operations talent, competence development for healthcare talent, and job skills improvement for university students. More than 2.4 million people were positively impacted. As of the end of FY2023, WorldClass has positively impacted more than 5.5 million people.



WorldClass has positively impacted over **5.5** million individuals



✓ Rural Youth Teacher Training Program

Deloitte China and YouChange China Social Entrepreneur Foundation continue to organize the Rural Youth Teacher Training Program. By providing one-year, systematic online courses and companion mentoring to new rural teachers via an internet training platform, we enhance their use of information technology as well as their teaching skills and comprehensive abilities to help them “teach well”. We provide comprehensive support to implementation of the Program through funding, teacher online learning platform upgrading, and volunteering.

The Deloitte Innovation & Digital Development Center invested a total of 8,720 hours of pro bono services in the Program's online learning platform for teachers over four sessions in two years. With the upgrade of the platform management functions, teachers' participation in the Program has been made much easier and project management quality and efficiency has improved sharply.

On 18 August 2022, the Ministry of Education issued a letter to encourage all new special-post teachers in the country to join online training under the Rural Youth Teacher Training Program on a voluntary basis. As of 31 May 2023, the Rural Youth Teacher Training Program and its advanced programs have already positively impacted over 58,000 rural teachers in 512 counties across China, delivering high-quality lessons to nearly 2.82 million children in rural areas.



The Rural Youth Teacher Training Program is named “Outstanding CSR Project of the Year” at the 19th Session of 21st Century Corporate Citizenship 2022

Words from a Deloitte participant

“With the successful launch of the Rural Youth Teacher Training Program, YouChange China Social Entrepreneur Foundation showed appreciation to our team for our professional knowledge and technology in enabling the Program to empower rural teachers, support their digitalized learning, and make education equality possible. Together, they hope to ignite the light of rural education with us. The whole team is thrilled by this feedback. Hearing the recognition from our partner organization and seeing the knowledge transfer in each session of training on the platform rewarded the whole team with an enormous sense of accomplishment and honor. Compared to client engagements, this is a brand-new experience for us, allowing us to feel a different kind of happiness in helping others and achieving ourselves.”



Sara Liang
Manager of Deloitte Innovation & Digital Development Center

2.2 Cultivating the future by supporting education

✔ Strive and Rise Programme

In FY2023, Deloitte China took active part in the Strive and Rise Programme launched by the Hong Kong Special Administrative Region Government to address intergenerational poverty and provide young people with opportunities for upward mobility. The Programme comprises three key elements: mentorship, personal development plans, and financial support, focusing on helping junior secondary students from underprivileged families strive for upward mobility and addressing intergenerational poverty.



Volunteer mentors of the Strive and Rise Programme

In addition to providing HKD1 million in sponsorship to the Programme, we also arranged 33 professionals to act as volunteer mentors, providing students with diversified learning and development opportunities. Our mentors and students took part in more than 200 hours of a series of group activities related to life and financial planning. Guided by the mentors, students set out their personal goals actively and positively and developed scientific financial planning concepts. The Programme has inspired them to explore more possibilities in their personal development.

Words from a Deloitte participant

"Throughout the Strive and Rise Programme, students have the opportunity to receive guidance, support, and encouragement from different mentors who come from diverse backgrounds and industries. Students can learn from mentors' experience which help them develop skills and knowledge. The Programme has been a valuable resource, especially for underprivileged students, by providing the resources, tools, and support they need to achieve their goals and reach their full potential.

"As a mentor, the relationship I developed with young people has impacted my personal development by inspiring me to think out of the box, especially when facing new challenges, and to be more open-minded. On the professional level, serving as a mentor has helped me develop leadership and communications skills and given me the chance to practice active listening."



Sheryl Lam
Strive and Rise Programme volunteer mentor
WorldClass Champion
Clients & Industries Manager

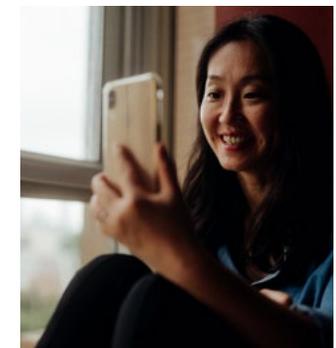
✔ Deloitte Children Care Program

Deloitte China cares about the growth of children in remote areas and launched the Deloitte Children Care Program in 2016. With an approach of "Internet + Charity", volunteers accompany left-behind children in grades four to six who live in remote villages of rural China by spending 30 minutes every week over three years on video chat with them. Volunteer representatives also visit the children's schools every year and engage with them face-to-face through "the third curriculum" and home visits. In addition, the Program has been augmented with numerous activities including online classes for parents and virtual extra curriculum. Through ongoing companionship, the Program broadens the vision and enhances the social support system of left-behind children, helping them grow up healthily.

As of the end of FY2023, the Program has carried out activities in a total of 11 rural schools across six provinces and municipalities, with more than 1,200 Deloitte staff, alumni, and family members and clients' staff participating in these activities. Volunteers have communicated with approximately 600 left-behind children through more than 30,000 video calls amounting to over 15,000 hours of voluntary services.

Deloitte story sharing

A Deloitteer for over 15 years, Angela Xu witnessed the positive impact of companionship on children through her long-term voluntary services and decided to contribute further to the growth of rural children. Supported by Deloitte Foundation, the Deloitte Children Care Program initiated by Angela and her colleagues was officially launched in October 2016. Angela also took part as one of the volunteers and has accompanied a total of four rural children,



Angela engages with rural children on a video call

establishing trust and love with them and growing up together.



2.3 Building dreams through charity

Impact Every Day

Impact Every Day is a program launched under Deloitte's *WorldImpact* initiative, aiming to bring together Deloitte people's wisdom and passion. We support our people to actively respond to social needs by volunteering and pro bono services, contributing to social development and a better future together. In FY2023, Deloitte employees participated in various volunteering activities and pro bono services, contributing a total of more than 63,000 hours of services.

Deloitte China's Charitable 8 Hours provides each employee with eight working hours (one working day) each year to take part in community service. In addition, as a one-stop voluntary services management platform, D.Charity enables closed-loop, whole-process management including the announcement of volunteering opportunities, volunteer management, and activity implementation management, so that staff can enroll in various charity programs easily. Moreover, we recruit Corporate Responsibility (CR) Champions among staff to carry out diverse volunteering activities at our offices, offering ample volunteering opportunities to our colleagues. In FY2023, the CR Champions organized 91 volunteering programs and activities. Colleagues from different regions took an active part in these activities, helping groups including rural young teachers, migrant children, youngsters, university and college students, and autistic children.

In addition, in FY2023, Deloitte Foundation carried out 13 pro bono services projects in coordination with Deloitte's professional services teams, providing non-remunerated support across industry planning, data analysis, and strategic advisory to government entities, schools, and charitable organizations. They applied leading solutions from the business sector in related areas, promoting innovation and development in society.



63,000+ number of

hours Deloitte employees have taken part in volunteering activities and pro bono services



91 volunteering projects and activities

Key awards and recognition in innovation development



Deloitte China named the "Top 10 China Corporate Volunteering Brand 2022"



Waving Librarian in School (WaveLib)

Since 2022, Deloitte China has worked on this project with Sanzhi Aid Service Center for Children with Difficulties. Acting as librarians and library directors, Deloitte volunteers take part in the operation of migrant children's libraries in Beijing, Shanghai, and Guangzhou to solve the constraints on the opening of libraries due to a lack of staff. Dormant donated books in schools can be brought back into use and borrowed again, creating more autonomous reading opportunities for migrant children. As of May 2023, a total of 181 volunteers have taken part in this project on about 40 separate occasions.



WaveLib volunteers take part in the project

Deloitte story sharing

"Since 2021, our volunteers in Shanghai have visited Shanghai Tangwan Primary School every other Friday afternoon to serve as librarians and deliver drawing class sessions to primary one pupils. They put small actions into practice and drew the power of change together. In this project, volunteers carried out small but meaningful tasks including book restoration and good book recommendations to spread the true meaning of 'knowledge is power' and show that 'reading thousands of books is traveling thousands of miles'. Every time the library opens, it is like turning a key to an unknown future, creating unlimited possibilities for the future of the children."

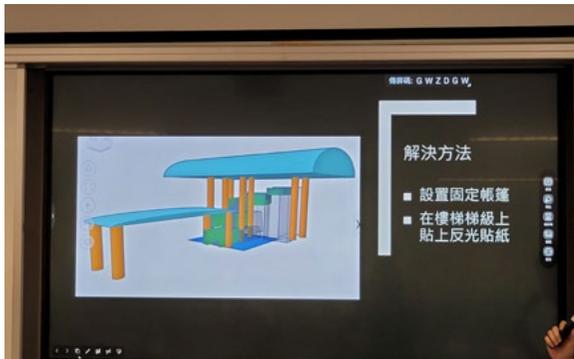


Sally Chen and Sihan Jin
WorldClass Champions

2.3 Building dreams through charity

✔ “Pass the Torch” Student Mentoring Program

The Deloitte “Pass the Torch” Student Mentoring Program provides mentoring and extracurricular learning opportunities for high school students in Hong Kong. In FY2023, we introduced a series of design thinking workshops based on a traditional mentoring model. Twenty-seven Deloitte’s served as mentors and joined the students to examine issues in the communities around their schools. In the learning process, we raised students’ innovative mindset, problem-solving ability, and commitment to community services. As we develop their creativity and empathy, we also promote development of the students and the communities they live in.



A “Pass the Torch” Student Mentoring Program activity

Deloitte story sharing

“What impressed me most during the interaction with the students was their ability to think from multiple angles and how they cared about society’s needs instead of just their own interest. The inclusion of these perspectives will help students develop more comprehensive solutions and promote social development.”



Louis Chan
Deloitte “Pass the Torch” mentor
WorldClass Champion
Tax and Business Advisory

✔ Digital strategy project for the Stars Youth Development Center

In October 2022, Deloitte launched a pro bono digital strategy project for the Stars Youth Development Center (STARS). Our Consulting team devoted nearly 500 hours of services over a period of five weeks. Through needs identification, status analysis, internal interviews, and benchmarking research, we helped them establish a strategic direction and identify opportunities and priorities for digital development, enabling them to achieve their strategic goal of “empowering and linking stakeholders with intelligence and informatization to provide professional and standard reading services for rural children”. This has helped to accelerate the comprehensive digital transformation of charitable organizations.



The outcome of the digital strategy project for the STARS

2.4 Undertaking frontline disaster relief

In the face of natural disasters including wildfires and earthquakes, Deloitte China takes active responsibility and due actions. When Chongqing was hit by wildfires, Deloitte volunteers responded swiftly and took part in firefighting and rescue operations. In times of natural disasters such as the Luding earthquake, Deloitte China has immediately donated funds for earthquake relief and post-disaster reconstruction efforts in the affected areas.

✓ Chongqing wildfire rescue

In August 2022, continuous high temperature in Chongqing led to the outbreak of severe wildfires in many places. Faced with these raging wildfires, Deloitte volunteers took part in fire combating operations including supplies procurement, packing and transportation, and fire belt setup, contributing Deloitte's efforts to fight the fires.



Deloitte colleagues take part in wildfire rescue

✓ Earthquake relief and rescue in Luding County, Ganzi Prefecture, Sichuan Province

On 5 September 2022, a 6.8-magnitude earthquake struck Luding County in Ganzi Prefecture, Sichuan Province. After the earthquake, Deloitte Foundation was highly concerned about the situation and activated its emergency relief response. On 6 September, Deloitte Foundation donated RMB360,000 to Sichuan Charity Federation as emergency funds for earthquake relief and post-disaster reconstruction efforts in affected areas.



A letter of appreciation from Sichuan Charity Federation

IV. Governance: Leading a responsible future through self-discipline



1 Governance structure

Deloitte China Governing Board

The Deloitte China Governing Board oversees Deloitte China's most important matters, including the formulation and implementation of all strategic plans, operational and financial performance, risk issues, and risk management. The Governing Board has several committees to support its oversight and governance, including the Nomination, Compensation, Fairness, Finance, Investment, Risk and Quality, and Succession committees. The Governing Board is composed of 13 members including Deloitte China Chair Vivian Jiang, Chief Executive Officer Patrick Tsang, and 11 board members elected by partners. Board composition is diverse to promote gender balance, with special attention paid to diversity in terms of business line, geography, and partners' profiles. The Governing Board is committed to safeguarding Deloitte Global's Shared Values and Deloitte China's "4+1" culture, promoting diversity, inclusion, and mutual respect, sparing no effort to carry out our firm's people first, client-centric principles, and advancing the WorldClass and WorldClimate programs to benefit society.

Deloitte China Management Team

The Deloitte China Management Team is composed of managing partners from different functions, regions, and key strategic and enabling areas. Led by the CEO, they work together to formulate, advance, and manage Deloitte China's strategic initiatives and engage, on behalf of Deloitte China, in issues at the global and regional levels. Guided by Deloitte Global's Shared Values and Deloitte

China's "4+1" culture, they do what matters most for our clients, people, and society, and strive to achieve our commitment to serving the country with professionalism. Deloitte China's CEO is elected by Deloitte China partners and governed and supervised by the Deloitte China Governing Board.

Deloitte China Societal Impact Steering Committee

To achieve our societal impact vision, Deloitte China established the Societal Impact Steering Committee, led by our CEO and composed of key management personnel. The committee centrally manages Deloitte China's Societal Impact agenda and formulates objectives and action plans to lead Deloitte China's continuous contribution to social development.

To better implement charity projects, Deloitte China has established Deloitte Foundation branches in Chongqing and Hong Kong. Our Southern Region Managing Partner Edward Au is Secretary-General of Hong Kong Deloitte Foundation, and our Social Impact Managing Partner Alan Wang holds the same role at Chongqing Deloitte Foundation. The Foundation has an independent Board of Directors and a Board of Supervisors responsible for discussion, decision-making, and oversight of key matters ensuring its operational independence and transparency.



2 Risk management

Deloitte China's quality and risk management policies are formulated in line with the DTTL Policies Manual (DPM), including central policies applicable to all member firms and their functions, specific policies applicable to each function (Audit & Assurance, Consulting, Risk Advisory, Financial Advisory, and Tax & Business Advisory), and local policies formulated by Deloitte China based on national conditions, covering professional ethics, anti-corruption, anti-money laundering, independence, potential conflicts, privacy, client confidential information, and other topics closely related to professional ethics and risk management.

Moreover, Deloitte has continued to enhance its high standards of business practice in professional ethics, quality culture, client portfolio management, risk management, people management, learning and training, and other areas. In FY2023, Deloitte China conducted a risk culture survey to gain insights into how its employees view and perceive risk management. Most Deloitte employees agree that management has placed a high priority on quality and risk management, and that we are dedicated to fostering a culture that values minimizing risk.

Professional ethics

At Deloitte, professional ethics and integrity are our foundations. On this basis, we have established our shared values – lead the way, serve with integrity, take care of each other, foster inclusion, and collaborate for measurable impact, creating a common culture to ensure we make ethical decisions, continue to gain public trust and perform our responsibility to clients, and fulfil our commitments to each other.

Deloitte Global has issued the Deloitte Global Principles of Business Conduct, which outlines the standard behaviors for Deloitte staff. Based on this, Deloitte China has developed a more detailed ethics program tailored to its own characteristics, which covers:

- Appointing a Conduct & Ethics Leader to oversee implementation of the program, handle and respond to ethics issues, and manage ethics-related matters.
 - Formulating the Code of Ethics and Professional Conduct, approved by Deloitte China Governing Board. The Code details the expected behaviors for every Deloitte employee in sustaining public trust, fulfilling client obligations, and meeting commitments to one other. It also provides information, guidance, and other references for Deloitte employees to make the right decisions.
 - Ethics training courses. These mandatory courses include the Integrity Imperative and Respect & Inclusion. They reinforce the importance of our values and principles and how these work to protect our brand and reputation. Meanwhile, special ethics training courses are provided to newly promoted managers and partners to explain their ethical responsibilities and requirements under their new roles and specify the expected behavior of ethics leaders.
- Developing the ethics app iEthics, an interactive learning platform for employees to search for professional ethics policies at their fingertips, participate in ethics promotion activities, keep up with the latest ethics news, and report any misconduct. We have also launched the Ethics Advocacy Program, through which functional or regional leaders nominate partners or directors as Ethics Champions who work to lead by example and advocate professional ethics and integrity within their offices, teams, and business units.

2 Risk management

Commitment to anti-corruption and combating financial crimes

Deloitte does not tolerate corruption and resists bribery. We strive to eliminate corruption and financial crimes to contribute to good corporate governance, economic development, and social welfare. Deloitte China has targeted anti-corruption policies for procurement, talent referrals, gifts, and entertainment, and has established mechanisms such as non-client third party due diligence, corruption risk assessments in Client & Engagement Acceptance, and risk assessment in public sector bids.

We support the fight against financial crimes and commit to complying with all related laws and regulations. We stand against money laundering and are firmly opposed to money laundering activities. We undertake not to engage in activities that violate or cause any person to violate such laws and regulations.

Anti-corruption and anti-financial crime training and communications are critical to internal compliance management and are an integral part of Deloitte's training and communications. We offer a variety of training options, including online interactive learning courses, lectures by subject matter experts, regular training for all employees, new hires, newly promoted employees, and specific task forces. We also leverage email communications and themed activities to update and remind employees of anti-corruption and anti-financial crimes policies and requirements, enhancing their awareness.

Frank communication

We have issued the Deloitte China Speak Up Policy to provide guidance for our partners and staff on reporting professional ethics issues that violate related laws and regulations or Deloitte China's policies. We encourage individuals to consult with the manager, partner, or other leader in their reporting chain, Ethics Champions, or via the standard reporting channels of the firm. In addition, for employees seeking confidential consultations, we provide an anonymous and confidential reporting platform, Deloitte Speak Up, with 24-hour, 365-day access. Employees can search for information related to ethics and compliance, make enquiries about related issues, or report potential violations through this online platform. At Deloitte, we take any violation reports seriously. We conduct investigations when necessary and make responses where appropriate. We do not tolerate any retaliation against individuals reporting ethics concerns in good faith.

Independence

Independence is another cornerstone of Deloitte's objectivity and integrity. Upholding independence is the obligation of all Deloitte professionals. The DPM has specific chapters on independence and potential conflicts, based on which Deloitte has incorporated independence and conflict investigation into standard business processes. This requires professionals to use multiple independence check tools, further ensuring the independence of our professional services and avoiding potential conflicts.

Additionally, in terms of quality control of individual independence, Deloitte requires all partners and staff of each firm to make an Annual Reputation and Risk Confirmation each year to confirm they have complied with the firm's independence policies.

In FY2023, DPM 1420 and Deloitte China Level III Independence Policy were amended and came into effect, in accordance with International Ethics Standards Board for Accountants (IESBA) revisions to non-assurance services and fee-related provisions of the International Code of Ethics for Professional Accountants.

Public interest

To better fulfil our commitment to serving the public interest, Deloitte Asia Pacific established the Public Interest Committee and formulated a decision-making framework to help all employees identify business related risks and regulatory and public interest risk exposures concerning the public interest. Employees are required to consult the Public Interest Committee promptly when identifying such risks or exposures. Deloitte China has incorporated questions corresponding to the decision-making framework in our client and engagement acceptance, and has established third-party due diligence procedures to ensure that the public interest is sufficiently considered in operation.

Audit quality is at the core of our work. We are committed to acting in the public interest with the highest standards of integrity and to conducting our work with professional skepticism and the spirit of challenge. This culture and mindset of focusing on audit quality is at the core of our business and is shared with all of our audit professionals through daily communications and practices.

3 Information security

Deloitte China has always attached great importance to information security, and we consider the protection of corporate information as one of the responsibilities of high-quality professional services. The firm's management is committed to protecting the confidentiality, integrity, and availability of all physical and electronic information assets, supporting our clients in collection, processing, transmission, storage, and disposal of confidential information for business development. Information security requirements will always be aligned with Deloitte's business goals, and the information security system is designed to support information sharing, electronic operations, and the reduction of information-related risks to an acceptable level.

Well-established business security governance system

The firm has a well-established business security governance system, including information security, confidentiality, privacy, and controls over compliance risks. Deloitte China has appointed a Chief Information Security Officer who is dedicated to driving the implementation of the firm's information security management system and cybersecurity and works closely with the Business Security Office to ensure the firm's information system complies with relevant laws and regulations in terms of design, access, implementation, management, and application. In accordance with the principle of segregation of duties, we have adopted a business security risk governance structure that includes risk management, risk supervision, and independent auditing. We have established three teams with different responsibilities for risk management within the organization, which coordinate and collaborate with one another to improve organizational risk management through independent and effective oversight.

Well-established information security management system

The firm has established a comprehensive information security management system. We also comply with security strategies and controls and continuity requirements specified by the standards of the International Organization for Standardization and have obtained ISO/IEC 27001:2013 and ISO/IEC22301:2019 certificates.

To provide secure and reliable services to our clients and reduce the risk of information leakage, Deloitte China has formulated localized information security policies as part of an information security framework based on Deloitte Global's information security policy, the Deloitte Security Code, and in accordance with local laws and industry regulatory requirements. The firm's information security policy focuses on technical controls over the confidentiality, integrity, and availability of all physical and electronic information assets, protecting information and information system from malicious acts or unauthorized access, use, disclosure, disruption, modification, inspection, recording, and destruction.

To protect confidential information, Deloitte China developed the Information Classification and Handling Policy, which helps employees determine suitable sensitivity labels on information content and ensures that all kinds of information assets receive an appropriate level of protection and disposal. This also helps ensure the confidentiality, integrity, and availability of information and avoids inappropriate disposal of information which might damage Deloitte China and our clients' reputation and interest.

Deloitte China's information security management system is subject to an annual comprehensive internal information security audit and an annual ISO27001 audit by an independent external security audit team. Through regular monitoring and review, Deloitte China's information security management system has functioned well and met the company's information security objectives in various aspects, with no major information security risks in recent years. The firm's information security management system has been certified under ISO27001:2013 for nine consecutive years, and most of its core systems have passed the Level 3 national security assessment.

Performance metrics



TALENT PERFORMANCE		FY2023
Workforce		20,113
By position		
Professional staff		18,122
Administrative staff		1,991
By geography		
Chinese Mainland		17,432
Percentage of Chinese Mainland (%)		86.67%
Non-Chinese Mainland		2,681
Percentage of non-Chinese Mainland (%)		13.33%
By gender		
Male		7,640
Percentage of males (%)		38%
Female		12,473
Percentage of females (%)		62%

Percentage of women by level/position	
Levels below manager (%)	65%
Manager (%)	61%
Levels above manager (%)	47%
Deloitte China Governing Board (%)	38.50%
Deloitte China Management Team (%)	40%
Leadership team (%) ²	32.40%

New hires	
Total new hires	4,826
Percentage of new hires (%)	24%

By level/position	
New staff below manager level	4,260
New managers	170
New staff above manager level	187
New administrative staff	209

Talent recruitment	
Number of applications	183,450
Number of internships	3,957

Learning & Development	
Total hours of training	1,559,419
Hours of training per individual	76
Training investment per individual (RMB)	1,599

SOCIETAL PERFORMANCE	FY2023
Societal investments	RMB10,000
Total societal investments	3,415
By source	
Monetary and in-kind donations by Deloitte China (incl. Deloitte Foundation and staff donations)	662
Volunteer and pro bono work and other volunteering expenses (incl. execution costs, operational costs, and management costs)	2,753
Hours of voluntary service	h
Hours of volunteer and pro bono work	63,525
By type of work	
Pro bono professional work	17,574
Skills-based volunteering	42,132
Traditional volunteering	3,819
WorldClass commitment³	
Total investments (i.e., total societal investments of WorldClass) (RMB10,000)	2,210
Hours of volunteer and pro bono professional work	40,577
Aggregate number of individuals reached	5,509,253
Number of individuals reached in the latest fiscal year	2,409,723
WorldClimate commitment	
Total investments (i.e., total societal investments of WorldClimate) (RMB10,000)	230
Hours of volunteer and pro bono professional work	3,443

ENVIRONMENTAL PERFORMANCE	FY2023
GHG emissions	tCO₂e
Total GHG emissions (location-based)	35,694
Total GHG emissions (market-based)	30,954
By source	
Electricity (location-based)	4,740
Electricity (market-based)	0
Air travel	11,432
Hotel accommodation and other travel	19,522
By GHG Protocol scope	
Scope 1: Direct emissions	0
Scope 2: Indirect emissions (location-based)	4,740
Scope 2: Indirect emissions (market-based)	0
Scope 3: Travel and accommodation only	30,954
Intensity measures	
Per individual (tCO ₂ e/individual) (location-based)	1.67
Per individual (tCO ₂ e/individual) (market-based)	1.45
Energy usage	kWh
Purchased electricity	7,648,537
Material usage	t
Paper	114

The report uses the average RMB exchange rate for FY2023 from June 2022 to May 2023. 1 HK Dollar = 0.8251 RMB Yuan.

³The WorldClass program in China was officially announced by Deloitte China in 2019, but activities related to the program had already started before 2019.

About the report

This is Deloitte China's fourth Impact Report and covers the FY2023 reporting period from 1 June 2022 to 31 May 2023. To ensure continuity, some of the cases and data included are beyond this timeframe. In this report, "Deloitte", "us", "we" and "our" refer to Deloitte China. The report has been prepared based on the Global Reporting Initiative (GRI) Standards, with disclosures of Deloitte China's contributions to the United Nations' Sustainable Development Goals (SDGs). Moreover, based on Deloitte Global's Impact Report framework, Deloitte China's reports follow the World Economic Forum's ESG metrics starting from FY2021. Based on the essential work of the International Business Council (IBC) of the World Economic Forum (WEF), with which we are assisting, this aims to advance the adoption of a set of ESG metrics to enhance the transparency and comparability of reports and drive forward actions for sustainable and long-term performance.

For details of our GRI index, contributions to the SDGs, response to the WEF/IBC ESG metrics, analysis of material topics and communication with stakeholders, or an introduction to Deloitte and Deloitte China, please refer to our Impact Report release page and links on the Deloitte website.

About Deloitte

Deloitte China provides integrated professional services, with our long-term commitment to be a leading contributor to China's reform, opening-up and economic development. We are a globally connected firm with deep roots locally, owned by our partners in China. With over 20,000 professionals across 31 Chinese cities, we provide our clients with a one-stop shop offering world-leading audit & assurance, consulting, financial advisory, risk advisory, tax and business advisory services.

We serve with integrity, uphold quality and strive to innovate. With our professional excellence, insight across industries, and intelligent technology solutions, we help clients and partners from many sectors seize opportunities, tackle challenges and attain world-class, high-quality development goals.

The Deloitte brand originated in 1845, and its name in Chinese (德勤) denotes integrity, diligence and excellence. Deloitte's global professional network of member firms now spans more than 150 countries and territories. Through our mission to make an impact that matters, we help reinforce public trust in capital markets, enable clients to transform and thrive, empower talents to be future-ready, and lead the way toward a stronger economy, a more equitable society and a sustainable world.

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