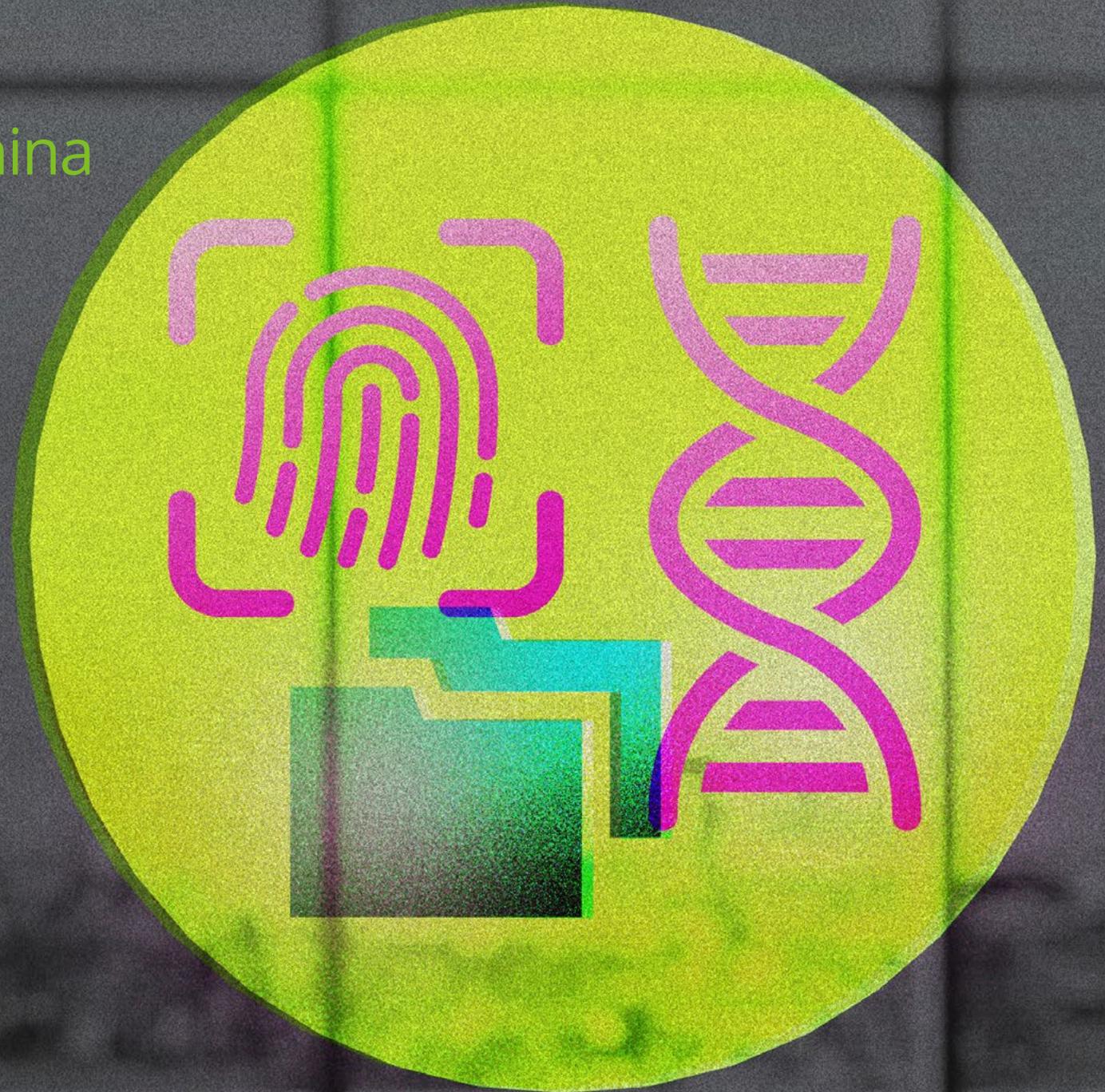


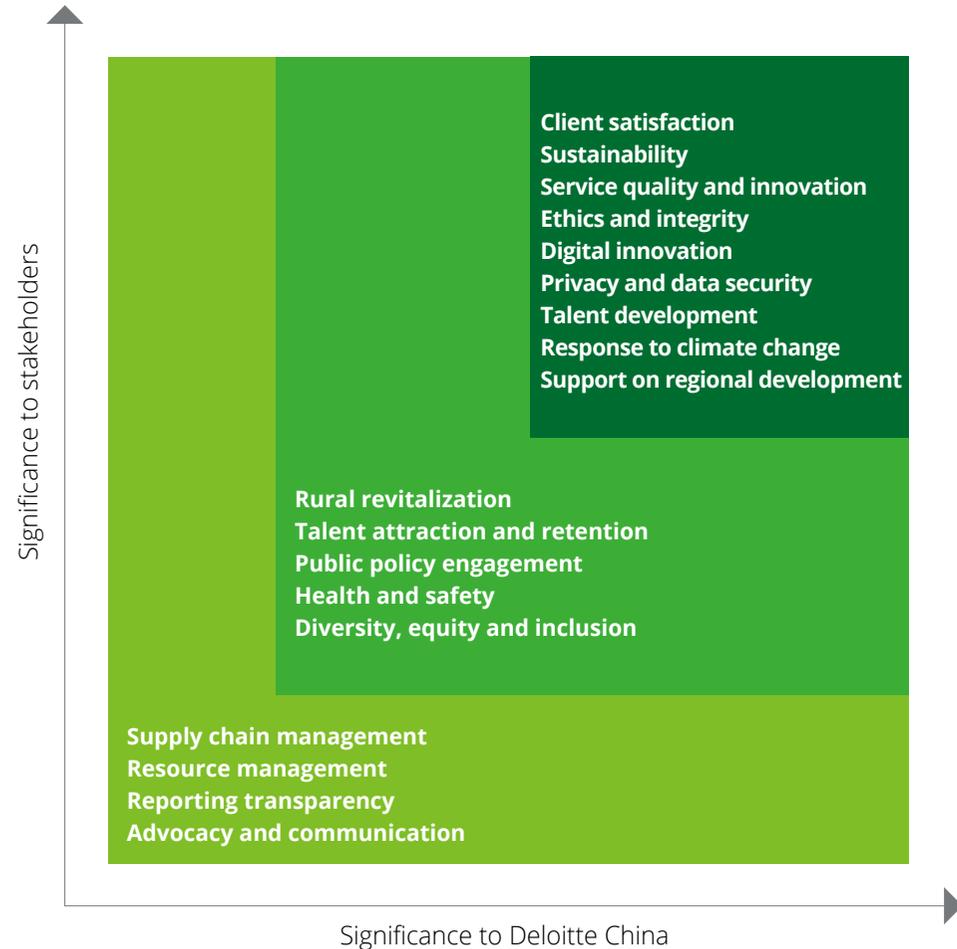
FY2023 Deloitte China
Impact Report
Appendix



Analysis of material issues and communication with stakeholders

Materiality Matrix

In FY2023, paying sustained attention to the needs of stakeholders, Deloitte China has identified material issues of great influence from the perspectives of “significance to Deloitte China” and “significance to stakeholders” and has optimized and developed this fiscal year’s matrix of material issues to illustrate the key disclosures in this report and the future focus areas in extending our social impact.



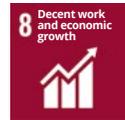
Communication with stakeholders

Deloitte China highly values its communication with stakeholders in daily operations and constantly works to improve communication mechanisms, listen to and understand the needs of all parties, and actively respond with concrete actions to achieve common development with all stakeholders.

Stakeholders	Ways of communication	Topics of concern		
Clients	<ul style="list-style-type: none"> • Interactions with clients during contract period • Client satisfaction procedure • Business development activities • Client meetings 	<ul style="list-style-type: none"> • Client questionnaire • Client labs and/or conferences chaired • Replies to proposals & actions following loss 	<ul style="list-style-type: none"> • Ethics & integrity • Client satisfaction • Governance risks & compliance • Public interest protection • Anti-corruption 	<ul style="list-style-type: none"> • Commitment to corporate responsibility • Privacy & data security • Environmental performance • Supply chain risks • Value of services
Deloitte staff, their family & future talent	<ul style="list-style-type: none"> • Social networking platforms (internal & external) • Recruitment activities • Internal discussions • 24/7 support & emergency hotline • Confidential ethics hotline • Professional development meetings • Mentorship policy 	<ul style="list-style-type: none"> • Performance check/review • Community engagement & volunteer opportunities • Exit interview • Deloitte alumni • Career development talks • Townhall meetings • Leadership videos • Deloitte China annual talent survey 	<ul style="list-style-type: none"> • Career development • Diversity & equal treatment • Inclusive leadership • Ethics & integrity • Client satisfaction • Privacy & data security • Governance risks & compliance • Commitment to corporate responsibility • Public interest protection • Public policy position 	<ul style="list-style-type: none"> • Environmental performance • Health & safety • Community engagement • Labor rights • Compensation • Work/life balance • Professional standards • Work performance • Sense of happiness
Government & regulatory authorities	<ul style="list-style-type: none"> • Active engagement with regulators & decision makers on issues affecting the industry & capital market • Contribution to development of new regulations • Participation in policy making 	<ul style="list-style-type: none"> • Response to regulatory & public policies • Quality/performance check & review • Work meetings 	<ul style="list-style-type: none"> • Public interest protection • Ethics & integrity • Future development of audit innovation & disruptive technology • Privacy & data security • Standardized model • Governance risks & compliance • Anti-corruption 	<ul style="list-style-type: none"> • Diversity & equal treatment • Environmental performance • Business & staff safety risk aversion • Inclusive growth • International trade • Future development of business • Flexibility

Stakeholders	Ways of communication	Topics of concern
Professional associations	<ul style="list-style-type: none"> • Participation in the work of committees & working groups • Leading & representing committees • Attending meetings 	<ul style="list-style-type: none"> • Co-development of industry white papers • Speaking engagements • Participation in standards setting
Non-profit organizations & local communities	<ul style="list-style-type: none"> • Engagement in local activities • Pro bono activities • Collaboration • Volunteer services 	<ul style="list-style-type: none"> • Social media • E-mails • Meetings • Speaking engagements
International organizations	<ul style="list-style-type: none"> • Serving as key member of committees • Participation in stakeholder meetings of international organizations • Meetings & communications • Participation in working groups 	<ul style="list-style-type: none"> • Ethics & integrity • Reliable financial system • Diversity & equal treatment • Education • Youth unemployment • Governance risks & compliance • Privacy & data security • Environmental performance • Climate change
Suppliers	<ul style="list-style-type: none"> • Negotiation • Meetings • Vendor purchases 	<ul style="list-style-type: none"> • Industry conferences • Ongoing supply chain management
Industry & market analysis firms	<ul style="list-style-type: none"> • Global engagement strategy that involves Deloitte executive leadership, subject matter experts and other stakeholders of all geographies, businesses and industries 	<ul style="list-style-type: none"> • Ethics & integrity • Anti-corruption • Diversity & equal treatment
Educational institutions	<ul style="list-style-type: none"> • Project participation • Cooperation • Recruitment • Guest lectures & speeches 	<ul style="list-style-type: none"> • Pros & cons of digital development • Technology & emerging technology • Client experience • Business transformation
		<ul style="list-style-type: none"> • Public interest protection • Ethics & integrity • Governance risks & compliance • Professional standards • Work performance • Career development
		<ul style="list-style-type: none"> • Youth education & employment • Diversity & equal treatment • Ethics & integrity • Anti-corruption • Human rights • Transparency • Commitment to corporate responsibility
		<ul style="list-style-type: none"> • Human rights • Community engagement • Physical safety • Social progress & equality • Trade & investment • Inclusive growth • Open market • Future development of business • Digital economy
		<ul style="list-style-type: none"> • Privacy & data security • Sustainability implementation
		<ul style="list-style-type: none"> • Public policy position • Open market • Digital economy & technology • Future development of business • Information disclosures & reporting
		<ul style="list-style-type: none"> • Public policy position • Privacy & data security • Environmental performance • Community engagement • Public interest protection • Social progress & equality
		<ul style="list-style-type: none"> • Staff development • Anti-corruption • Human rights

Alignment with the United Nations' Sustainable Development Goals (SDGs)

SDGs	Deloitte's support initiatives
 	<ul style="list-style-type: none"> Deloitte China attaches great importance to talent shaping and development, committed to designing personalized and diversified career paths for its people and building a learning-friendly workplace through establishing a broad platform for learning and development and consolidating internal and external learning resources, with the aim of fostering more talent of the future. As one of Deloitte's <i>WorldImpact</i> initiatives, Deloitte China's <i>WorldClass</i> focuses on cultivating talent in rural areas, aspiring to empower 15 million rural talent by 2030. In FY2023, as part of the <i>WorldClass</i> initiative, 22 pro-bono programs were carried out, covering rural teachers' professional skills development, rural children's social, emotional and reading skills development, agricultural production and operation talent's knowledge learning, health talent's ability development, and college students' vocational skills improvement, positively impacting over 2.4 million people. By the end of FY2023, the <i>WorldClass</i> initiative has empowered over 5.5 million people in total.
  	<ul style="list-style-type: none"> Deloitte China treats every member of staff equally, enabling its people to release their potential fully in an environment of diversity and inclusion where different voices are respected. We are taking the lead in diversity, equity and inclusion. As part of the global "ALL IN" strategy, our "You be you" campaign encourages everyone at Deloitte to be themselves, respect each other, and together create a workplace that inspires people to reach their full potential, delivering and living the commitment of "diversity and inclusion". We are also leading the industry in supporting women leadership development, LGBT+ inclusion, anti-discrimination and anti-harassment. Deloitte China values employees' wellbeing, caring about the physical and mental health of each one at Deloitte. Through talent initiatives including employee care and welfare on holidays, the digital platform for convenient services, and the Emotion Power Station, we are committed to creating a caring workplace and keep exploring welfare innovation. In addition, we emphasize sharing value with our employees, keep track of market changes and talent needs, and continuously improve the remuneration and welfare system to better attract outstanding talent.
  	<ul style="list-style-type: none"> Deloitte China's <i>WorldClimate</i> initiative focuses on four dimensions of "Net-zero with 2030 goals, Embed sustainability, Empower individuals, and Engage ecosystems", in support of the effort to reach "dual carbon goals". Through this initiative, we have been driving responsible climate choices within our organization and beyond and working with other parties to develop solutions to low-carbon economic transformation, contributing to the harmonious coexistence between economic and social development and nature. 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 has also committed to set long-term emissions reduction targets using the SBTi's Net Zero Standard. 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; and engage with our suppliers with the goal of having 67% (by emissions) set science-based targets by 2025. Embed sustainability: We recognize we must align our 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; and continuing to report the organization's annual emissions externally for transparency and accountability. Empower individuals: By engaging and educating Deloitte professionals 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: We 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; and create innovative climate solutions at a systems and operations level.



- Deloitte China actively supports China's economic development, providing high-quality professional services and intellectual support for the government, businesses and organizations.
- Deloitte China continues to share its global thought leadership with Chinese government bodies at different levels and provide professional advice on government policy development and implementation based on insights and practices in local market. We have kept close cooperation with the Ministry of Finance, local SASACs and other government bodies, providing intellectual support on key subject research. With a one-stop shop offering world-leading, end-to-end services and extensive resources across our global network, we assist companies in pursuing high-quality growth and green, low-carbon and healthy development.
- Deloitte China actively drives the economic development, providing suggestions on building a robust business environment. 34 members of Deloitte China are serving as deputies of local people's congresses or members of local CPPCC committees in 13 provinces and municipalities directly under the Central Government across the country. We also actively participate in high-level expos and industry summits in different regions, contributing to China's economic development and reform and opening up with intellectual support.
- Deloitte China responds actively to the country's strategies, supporting the Belt and Road Initiative and the Regional Comprehensive Economic Partnership through coordinating resources, exploring markets and policies in depth, and providing comprehensive, professional services. We assist Chinese companies in developing business in overseas markets and improving management and help foreign companies achieve high-quality development in China, promoting high-level opening up.



- Following the country's major regional development strategies, Deloitte China, with distinctive advantages, makes continuous contribution to the development of the Greater Bay Area, the Beijing-Tianjin-Hebei region, the Yangtze River Economic Belt, Hainan Free Trade Zone and other regions. Besides, we are committed to driving the sustainable urban development. By doing so, we fully support the government's guidelines to "thoroughly implement major regional strategies, the coordinated regional development strategy, and the functional zoning strategy".

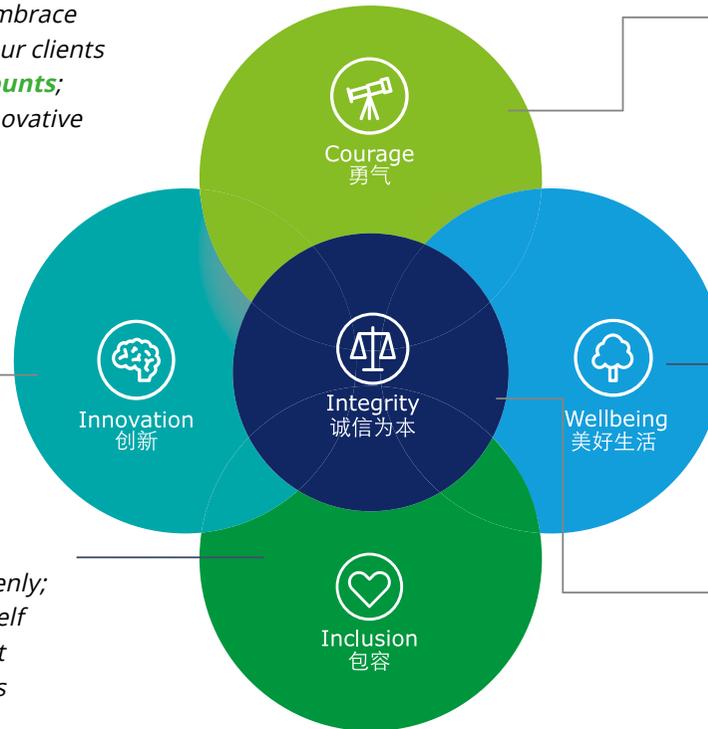


- At Deloitte, ethics and integrity are fundamental and not negotiable. On this basis, we have established our shared values – to lead the way, serve with integrity, take care of each other, foster inclusion, and collaborate for measurable impact. Deloitte Global issued the *Deloitte Global Principles of Business Conduct* that provides the basis of behavior for Deloitte staff. To ensure strict adherence to the principles, we offer online courses on ethics, which are compulsory for all partners and staff and updated every year.
- Deloitte stands against any corruption of any form and strongly resists bribery. We strive to eliminate corruption and financial crimes, so as to contribute to good corporate governance, economic development and social welfare. Deloitte China has bespoke anti-corruption policies for procurement, talent referral, gifts, and entertainment, and has established mechanisms such as non-client third party due diligence, corruption risk assessment in our Client and Engagement Acceptance process, and public sector bidding risk assessment. We offer regular anti-corruption training and information exchange to update and remind employees of anti-corruption policies and requirements, enhancing their anti-corruption awareness.
- Independence is another cornerstone of Deloitte's objectivity and integrity. Upholding independence is the obligation of all Deloitte professionals. The *DTTL Policies Manual* has specific chapters on independence and potential conflicts, based on which Deloitte has incorporated independence and conflict investigation into standard business processes, requiring professionals to learn multiple independence check tools, thus further ensuring independence of our professional services and avoiding potential conflicts.

Deloitte China's "4+1" culture

Courage, Innovation, Inclusion, Wellbeing and Integrity

Develop an **innovation mindset** and embrace new **technology**; work as a team with our clients with more **agility**, especially on **big accounts**; continue to **share knowledge**, offer innovative solutions and deliver excellent service



Courage to take up **accountabilities**, say/do the right things and challenge status quo; **empower** to make decisions and take actions; **resilience** in front of challenges and difficulties; serve top clients and manage top talents

Keep ourselves **positive** and increase our sense of happiness; develop a **flexible** and **supporting** environment that enables us to deliver 3H talent brand promise

Build on mutual **trust and respect**; listen actively and communicate openly; develop an **inclusive, fair**, true-to-self and **collaborative** environment that enables us to achieve common goals

Apply the highest standards of professional conduct; **walk the talk**; behave in a manner that reinforces the reputation of our firm

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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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