



Deloitte Impact
2012

Materiality and
Stakeholder
Engagement

Materiality

To identify and prioritise material issues we carried out the following three processes:

1. Identification of Material Business Issues

We developed a list of key issues, grouped along economic, social and environmental dimensions. The issues were identified by reviewing Deloitte business documents over the past three years as well as feedback from our People, and our major external stakeholders: clients, communities, government, suppliers and NGOs (as per the stakeholder engagement table provided in the next section of this report). In addition to this analysis, we also reviewed our policies, business strategy and performance tracking tools, including the 2010 and 2011 Annual Reports and the 2010 Sustainability Report.

2. Prioritisation of the Issues

We noted the frequency with which issues were raised in the source documents and rated each issue as low, moderate or high for current or potential impact. For each issue, the ratings were averaged separately for Deloitte and stakeholders (with extra weight assigned to clients as they are a key audience of our reporting). The issues and their ratings were then plotted on the “materiality matrix. We consider the issues in the upper-right sector to be the most material. None of the issues are unimportant; the position of each in the matrix simply represents our understanding of its relative importance to the Firm and our stakeholders.

3. Use of the Analysis

We have used this analysis to identify issues to cover in the impact report and particularly to highlight the three priority areas. That is, driving economic growth, investing in higher value skills, and a commitment to long-term sustainability. As we move forward we intend to arrange more formal stakeholder consultation to test the relevance of our response to these focus areas and to help us to prioritise current and emerging issues.

Stakeholder Engagement

Key stakeholder group	Engagement approach and typical frequency of interaction	Sample of representative members	Sample topics	Type of response	Areas of high concern (see materiality matrix)
Our Clients	<ul style="list-style-type: none"> Ongoing and/or ad hoc Client delivery Insights and thought leadership Web site and ad hoc feedback Social media E-mail Meetings and conferences Strategy development Annual or regular recurring basis Quality/performance reviews 	<ul style="list-style-type: none"> Current clients Former clients Potential clients 	<ul style="list-style-type: none"> Auditor independence Transparency Quality Corporate governance Client satisfaction Privacy Security Contributions to society Environmentally sustainable operations Access to technology Diversity Ethics 	<ul style="list-style-type: none"> Provide greater challenge Bring more insights Leverage depth of your capability Build deeper relationships Deliver best people & teams 	<ul style="list-style-type: none"> Investing in higher value skills Driving Economic growth in the UK Client satisfaction Ethics and integrity Privacy and data security Governance, risk, and compliance Carbon emissions and energy use Diversity and fair treatment Commitment to long term sustainability
Deloitte people and their families	<ul style="list-style-type: none"> Ongoing and/or ad hoc Internal discussions Alumni network Social media Recruiting events Exit interviews Confidential ethics hotline Training sessions Annual or regular recurring basis People survey Partner meetings Performance Reviews 	<ul style="list-style-type: none"> Current, former, retired, and prospective employees Spouses/partners, children, and family members of Deloitte employees 	<ul style="list-style-type: none"> Job satisfaction elements Work-life balance Career advancement Fair treatment Privacy Security Contributions to society Environmentally sustainable operations Access to technology Diversity Ethics 	<ul style="list-style-type: none"> Flexible work arrangements Benefits package changes Extension of certain services to family members Mentoring programmes Coaching programmes Opportunities for secondments Opportunities to join internal sustainability teams and competitions Industry training Wellness programs 	<ul style="list-style-type: none"> Investing in higher value skills Employee development Diversity and fair treatment Ethics and integrity Client satisfaction Privacy and data security Governance, risk, and compliance Commitment to long term sustainability Protection of investors and market

<p>Governments and regulators</p>	<ul style="list-style-type: none"> • Ongoing and/or ad hoc • Insights and thought leadership • Collaboration on policy • Participation in development of standards • Web site and current event monitoring • Responsiveness to inquiries • Annual or regular recurring basis • Quality/performance reviews 	<ul style="list-style-type: none"> • National financial market regulators • Audit oversight bodies • Finance ministers and central bank governors 	<ul style="list-style-type: none"> • Auditor independence • Transparency • Quality • Competitiveness of markets • Diversity • Corporate governance 	<ul style="list-style-type: none"> • Participation in advisory and advocacy groups • Independence policies and monitoring • Audit standards • Responses to reviews • Employee diversity programs • Supplier diversity programs • Issuance of transparency reports 	<ul style="list-style-type: none"> • Investing in higher value skills • Driving Economic growth in the UK • Protection of investors and market • Anti-corruption • Public policy • Ethics and integrity • Diversity and fair treatment • Governance, risk, and compliance • Privacy and data security • Carbon emissions and energy use
<p>Professional associations</p>	<ul style="list-style-type: none"> • Ongoing and/or ad hoc • Involvement in committees and working groups • Representation on leadership councils • Attendance at conferences • Collaboration on industry white papers • Speaking engagements • Participation in development of standards 	<ul style="list-style-type: none"> • Associations of certified/chartered accountants • Associations of tax professionals • Management consulting professional associations • Financial advisory professional associations 	<ul style="list-style-type: none"> • Governance • Barrier-free trade • Sustainable development • Adherence to professional performance standards • Standards for auditing of non-financial information 	<ul style="list-style-type: none"> • Standards for engagement acceptance and performance • Peer reviews • Commentaries on proposed standards • Training • Thoughtware • Strategy formulation 	<ul style="list-style-type: none"> • Public policy positions • Ethics and integrity • Governance, risk, and compliance • Protection of investors and market • Anti-corruption • Commitment to long term sustainability • Carbon emissions and energy use • Diversity and fair treatment

<p>Non-profit organizations and community organisations</p>	<ul style="list-style-type: none"> • Ongoing and/or ad hoc • Board representation • Pro bono engagements • National and Regional Charity Partnerships • Volunteering • Social media • Email • Meetings and conferences • Speaking engagements 	<ul style="list-style-type: none"> • United Way Worldwide • CRUK • African Rainforest Trust • Help for Heroes • Accounting for Sustainability • Carbon Disclosure Project • Local business organizations • BITC • Children with Cancer UK • Local and regional charity partners 	<ul style="list-style-type: none"> • Training • Performance improvement • Funding • Marketing • Specific agendas germane to their cause (e.g. sustainability, education, water, diversity, etc.) • Local business promotion • Transparency in reporting 	<ul style="list-style-type: none"> • Skills based volunteering • Community volunteering • Impact day • Pro bono engagements • Foundation and firm monetary and in-kind gifts • Voluntary sustainability reporting 	<ul style="list-style-type: none"> • Investment in higher value skills • Education for underserved young people • Diversity and fair treatment • Ethics and integrity • Employee development • Anti-corruption • Commitment to long term sustainability • Privacy and data security • Carbon emissions and energy use • Water use • Material use and waste
<p>Multi-stakeholder organisations</p>	<ul style="list-style-type: none"> • Ongoing and/or ad hoc • Steering committee memberships • Organisational stakeholder meetings • CFO survey 	<ul style="list-style-type: none"> • International Integrated Reporting Committee • Global Reporting Initiative • Cross-industry business alliances • Times CEO Summit • Davos • Global Leadership Summit 	<ul style="list-style-type: none"> • Establishment of and adherence to international norms • Understanding of frameworks and initiatives • Economic, social, and humanitarian development 	<ul style="list-style-type: none"> • Pro-bono engagements • Internal and external training • Thoughtware • Working towards integrated reporting for Deloitte • Voluntary reporting on sustainability • GHG reduction targets in place 	<ul style="list-style-type: none"> • Ethics and integrity • Anti-corruption • Public policy • Protection of investors and market • Diversity and fair treatment • Investment in higher value skills • Governance, risk, and compliance • Commitment to long term sustainability • Privacy and data security • Carbon emissions and energy use • Water use • Biodiversity

Suppliers	<ul style="list-style-type: none"> • Ongoing and/or ad hoc • Negotiations • Meetings • Proposals • Industry meetings 	<ul style="list-style-type: none"> • Software suppliers • Hardware suppliers • Travel service suppliers 	<ul style="list-style-type: none"> • Purchase volumes • Purchase projections • Pricing • Certainty • Opportunities for (mutual) sustainable solutions • Opportunities for collaboration 	<ul style="list-style-type: none"> • Establishment of alliances • Establishment of preferred vendors • Establishment of green purchasing practices • Contracts • Supply chain audits 	<ul style="list-style-type: none"> • Ethics and integrity • Anti-corruption • Diversity and fair treatment • Privacy and data security • Commitment to long term sustainability
Analysts	<ul style="list-style-type: none"> • Ongoing and/or ad hoc • Dialogue • Question and answer sessions • Webinars • Provision of information 	<ul style="list-style-type: none"> • Forrester • Gartner • IDC • Kennedy • Verdantix 	<ul style="list-style-type: none"> • Capabilities • Growth • Leadership • Innovation 	<ul style="list-style-type: none"> • Improved performance • New service lines • Strategy refresh • Innovation programmes 	<ul style="list-style-type: none"> • Client satisfaction
Educational institutions/academia	<ul style="list-style-type: none"> • Ongoing and/or ad hoc • Participation in programmes • Client relationships • Graduate Recruitment • Guest lecturing and speaking engagements 	<ul style="list-style-type: none"> • Funding of chairs and scholarships at universities • Cambridge programme for Sustainability Leadership 	<ul style="list-style-type: none"> • Subject matter knowledge • New perspectives • Leading research • Career placement 	<ul style="list-style-type: none"> • Matching gifts • Guest lecturers • Funding 	<ul style="list-style-type: none"> • Investment in higher value skills • Ethics and integrity • Diversity and fair treatment • Employee development • Commitment to long term sustainability