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Deloitte Belgium
2017 Impact Report

FY2017 Basis of reporting

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This section provides additional details about the scope and calculation methods used in the Deloitte Belgium 2017 Impact Report (the "Impact Report"), available at impact-report.deloitte.be. It should be read in conjunction with the Impact Report and all definitions used therein unless otherwise stated also apply to this document.

Defining Impact Report content

Deloitte professionals engage continuously with key stakeholders, both internal and external, as part of routine business. Understanding and responding to stakeholders through our annual reporting is an opportunity to provide them with a big-picture view of Deloitte Belgium, our achievements for clients, and our ongoing commitments to our people and society. As a professional services network, understanding and engaging the interests and concerns of our stakeholders is embedded in our drive for excellence. In FY2017, Deloitte Global commissioned a formal stakeholder engagement process. We identified key stakeholders as those who:

- Help influence Deloitte's success;
- Are highly affected by what we do;
- Affect the markets, regulations, and industries in which we operate; or
- Affect the supply of resources that we need to serve our clients, talent, and society.

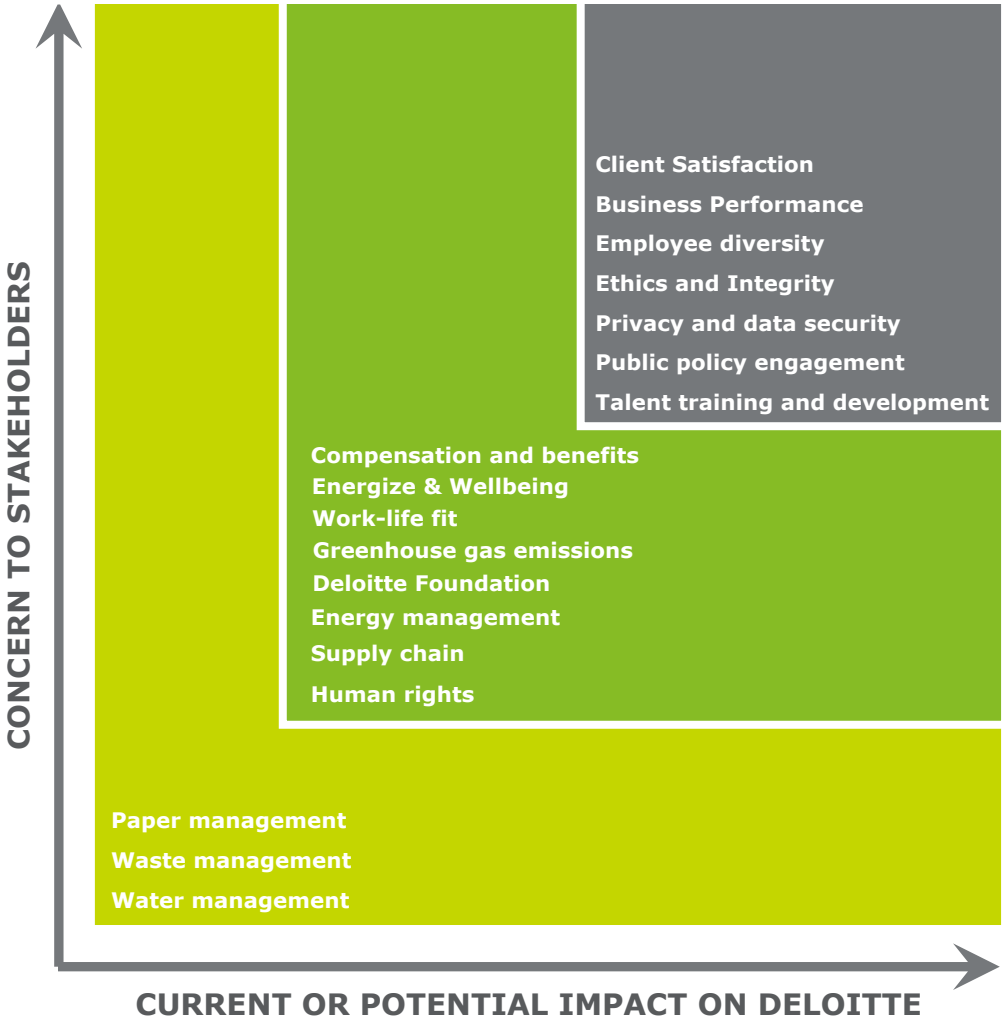
Along with this ongoing engagement, Deloitte Global commissioned a materiality assessment. These engagements and the materiality assessment assist with identifying key areas of impact upon which to focus the Impact Report content. The materiality assessment process was grounded in the Global Reporting Initiative (GRI) principles of materiality and stakeholder inclusiveness. The strength of the materiality assessment methodology utilized revolves around the design and implementation of a systematic and disciplined approach to stakeholder engagement, as well as topic prioritization. Material aspects or topics are those that reflect Deloitte's significant economic, environmental, and social impacts, or substantively influence the assessments and decisions of stakeholders. They were classified into three categories according to their relative rankings on a materiality matrix.

Except as noted below, all aspects shown in the matrix are material to Deloitte Belgium. Aspects material outside the organization include client satisfaction, privacy, and data security, which are material to clients; ethics and integrity, which are material to clients and regulators; and supply chain management and human rights, which are material to suppliers. Several issues are also material to society at large, such as community engagement, public policy engagement, and greenhouse gas emissions. Water is predominantly material outside of Deloitte (water used by suppliers in producing products or services we consume) and is primarily material to society in geographic locations with water scarcity issues.

The Impact Report uses the GRI Standard in defining report content. The FY2017 Impact Report has been prepared in accordance with the GRI standards: Core option. For further details on the stakeholder engagement aggregated by Deloitte Global, please review the FY2017 Stakeholder engagement summary.

Scope and methods for performance measurements

DTTL adhered to widely accepted standards in developing the Impact Report. These standards define a systematic approach to understanding the issues that the Impact Report should cover and measuring and documenting performance with regard to those issues. Performance measures for societal impact and environmental sustainability are based on widely recognized guidelines. For reporting on societal impact, DTTL considered the reporting standards from the Committee Encouraging Corporate



Issue is of critical strategic interest to Deloitte and stakeholders.

Issue is actively managed

Frequent interaction with key stakeholders occurs

Issue is actively managed by Deloitte and discussed with constituents that have a direct stake

Issue of concern to select member firms and stakeholders

Generally managed through member firm programs

Philanthropy (CECP) and the London Benchmarking Group (LBG). The monetary value of community activities was estimated according to the type of service performed. The value of volunteer work was based on Deloitte Belgium's staff costs. Pro bono work, defined as work that Deloitte has delivered to not-for-profit organizations free of charge or at a significantly reduced rate, has been valued at fair market rates representative of the firms' client service rates for comparable services. Estimates of carbon emissions were prepared according to the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard created by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), with emissions accounted for on the basis of operational control. While the reporting for FY2017 includes a significant number of Scope 3 sources, it does not consider full upstream and downstream emissions across all sources. FY2017 environmental performance, and societal impact data in the Impact Report was directly collected from the firm. Data that formed the basis of the reporting was obtained from financial reporting systems, other internal records, and outside sources such as travel agencies, utilities, and property managers. In FY2014, DTTL streamlined the way it reported environmental sustainability data. We have continued with these practices in FY2017 including the following:

- Refrigerants, district heating, and district cooling are excluded from aggregate network reporting as previous analysis showed these emission sources were not material to the overall GHG footprint.
- Paper consumption is tracked, but associated greenhouse gas emissions are not.
- Methane (CH4) and nitrous oxide (N2O) are not separately calculated in instances where published sources do not incorporate these into carbon-dioxide equivalent (CO2e) factors.
- Global warming potentials (GWPs) incorporated into published emission factors are used "as is" and no attempt is made to reconcile to one common set of GWPs. Where choices can be made, we use the 100-year Fifth Assessment Report (AR5) with climate-carbon feedback incorporated as published by the Intergovernmental Panel on Climate Change.

Emission factors

DTTL selects the most accurate, source-specific, localized, and recently published GHG emission factor available for each emission source, such as specific emission factors for a local electric utility. DTTL uses default emission factors, the majority of which come from the following sources:

- The GHG Protocol published by the WRI and WBCSD;
- The International Energy Agency (IEA);
- The UK's Department for Environment, Food and Rural Affairs (DEFRA); and
- The US Department of Energy (US DOE). A compilation of emission factors used to calculate the data in the Impact Report is included at the end of this section.

Building-related emission sources

Building-related emission sources included in the GHG emissions data of the Impact Report are those associated with the use of; electricity, heating oil, and natural gas, in the office buildings and data centers that Deloitte either owns or over which DTTL has operational control. Upstream building-related emission sources, such as those associated with electric transmission and distribution line losses, were not included in the GHG emissions inventory. It is assumed that diesel fuel purchased during the fiscal year is used that year. This method likely overestimates actual emissions in some years and underestimates them in others, but over time captures the related emissions.

Business travel—Air

Reported GHG emissions from air travel are those resulting from professionals flying for business reasons in accordance with DTTL policies. GHG emissions from flights taken by non-Deloitte personnel are also reported in instances where flight activity data are captured in DTTL travel systems and reimbursed or paid for by DTTL (such as travel by

family members in accordance with policies or travel by prospective DTTL professionals). The majority of business air-travel data was obtained from DTTL travel systems. Much of the rest was obtained from travel expense records. The default GHG emission factors used to calculate emissions from air travel were based on information published by DEFRA. Flight segments were identified by distance, and emission factors were applied according to whether the flight segment was categorized as long haul (more than 1108 km), medium haul (463 to 1108 km) or short haul (less than 463 km). Seat class-specific emission factors (e.g., First, Business, Premium Economy, Economy) were used according to the DEFRA emission factors. The DEFRA emission factors used incorporated an uplift factor to account for non-direct routes, delays, and circling, but exclude radiative forcing and indirect emissions.

Business travel—Road

Reported GHG emissions from business travel by automobiles includes travel in Deloitte-owned vehicle fleets (personnel driving in vehicles owned by DTTL), reimbursed driving (personnel driving in personal cars for which they are reimbursed), rental cars (personnel driving in rented/hired cars for which the firm pays), buses, and taxis (reimbursed personnel trips in buses, taxis, car-service vehicles, and limousines). For road travel, activity data was gathered from expense reports, rental agency records, travel agency records, company accounting systems, fuel receipts, and receipts or other records indicating distance and location of trip segments. When fuel information was available, GHG emissions are calculated on the basis of mobile combustion factors for the given fuel type. When only distance information was available, GHG emissions were calculated on the basis of average emissions factors (emissions per kilometer travelled) for vehicles according to vehicle type (bus or car), fuel type (diesel, petrol, hybrid, or unknown), and location.

Business travel—Rail

Rail travel accounts for GHG emissions from trips by personnel on subways, railways, and trams, with different GHG emission factors used for each type of rail system. Activity data sources included travel agency reports andexpense reports,. In cases where actual distance was unavailable, estimates were made using travel expense data and average travel costs per unit of distance travelled.

Accommodations

The GHG emissions inventory in the report includes emissions from accommodations at hotels, guest houses, and apartments for business reasons and in accordance with DTTL policies. Data was collected from corporate travel agency records, travel expense reports, and internal records.

Estimations

In calculating emissions, few estimations and extrapolations were made to account for known data gaps. For many travel activities, activity information and cost data were available both from travel providers (reservation systems, travel agencies, or travel vendors) and from DTTL expense systems. Ratios of emissions per headcount by emission source were calculated, and averages of these ratios were calculated and used to estimate emissions for airlines, hotels and electricity. Consistent with other GRI indicators, emissions intensity per headcount was calculated using the headcount total at the reporting year-end (31 May 2017). While the above description is intended to be as accurate as possible, invariably the inventory will contain some exceptions to this reporting basis. None of the known exceptions are considered to materially change the total emissions reported.

Emission factors

The table below shows emission factors that were used in the inventory. Where factors are used in specific countries only, these are listed after the emission source.

Emission source	Emission factor	Unit kg CO2e/unit	Reference
Air Travel (various lengths and seat classes)	0.080 - 0.318	Passenger km	Defra's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04); various factors used to depend on class and distance
Bus (Europe)	0.112	Passenger km	Defra's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting
Bus (Outside Europe)	0.067	Passenger km	WRI Emission Factors from Cross Sector Tools (March 2017)
Electricity	494	MWh	Defra's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Hotel Stays	32.1	Nights	Based on select information from Green Hotels Global TM Q4 2016
Hotel Stays (New Zealand)	2.56-7.97	Nights	Carbonzero.co.nz
Mobile Combustion— Car (Diesel)	2.602	Liter	Defra's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Mobile Combustion— Car (Petrol/Gasoline)	2.191	Liter	Defra's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Mobile Combustion— Car (unknown fuel)	0.248	Km	DTTL estimated using data from WRI Emission Factors from Cross Sector Tools (March 2017)
Mobile Combustion— Car (various fuels)	0.185-0.194	Km	Defra's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Mobile Combustion— Van (various fuels)	0.211–0.251	Km	Defra's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Mobile Combustion— Luxury Car (various fuels)	0.240–0.340	Km	Defra's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Mobile Combustion— Taxi	0.177	Passenger km	Defra's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Mobile Combustion— Car (Hybrid)	0.134	Km	Defra's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Rail—Average (Light Rail or Tram)	0.164	Passenger km	WRI Emission Factors from Cross Sector Tools (March 2017)
Rail—National Rail	0.185	Passenger km	WRI Emission Factors from Cross Sector Tools (March 2017)
Rail—Subway	0.164	Passenger km	WRI Emission Factors from Cross Sector Tools (March 2017)
Rail (Eurostar)	0.012	Passenger km	Defra's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)

Rail (Germany)	0.075	Passenger km	Deutsche Bahn
Rail (Netherlands)	0.030	Passenger km	National Rail
Rail (UK)	0.047	Passenger km	Defra's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.04)
Stationary Combustion—Diesel/ Heating Oil	2.691	Liter	WRI Emission Factors from Cross Sector Tools (March 2017)
Stationary Combustion—LNG	1.229	Liter	Defra's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting
Stationary Combustion—Liquefied Petroleum Gas (LPG)	1.615	Liter	WRI Emission Factors from Cross Sector Tools (March 2017)
Stationary Combustion—Natural Gas (Low Heating Value)	1.890	Cubic meters	WRI Emission Factors from Cross Sector Tools (March 2017)

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