

Carbon Emissions

Footnotes

Deloitte Denmark FY22

1. Our business travel emissions reduction target is anchored to a commitment to deliver an absolute reduction in these emissions regardless of future growth.
2. The PG&S methodology is based on procurement spend data for 3 geographies (including UK as the largest). This spend data is the basis for 59% of emissions, with the rest extrapolated. We apply a number of assumptions to the spend data, including how we allocate spend into procurement categories, how we treat our suppliers' reported Scope 3 emissions, the CDP sector emission factors we apply to each spend category, and the extrapolation factors. We continually review our approach to reduce the risks inherent in these assumptions and the impacts of year-on-year fluctuations. Between FY21 and FY22 we changed some of these assumptions. For FY22, we have changed the extrapolation factor from region-specific to a single global factor, reflecting that we do not believe emissions per unit of product are materially different from region to region in a global supply chain. We have also improved how we allocate spend per procurement category, and revised which CDP sector emissions factors we apply to our procurement categories. For transparency, we have estimated that our FY21 PG&S emissions would have been 4,686 tonnes using the revised FY22 methodology: a variance of -13%. We will continue to review our approach to Scope 3 reporting in the future, aiming to continually improve the accuracy of our disclosures. When these enhancements lead to a material change in a reported figure, we are committed to explaining the nature of the change, our reasoning for its appropriateness, and the percentage variance compared to previous methodologies.
3. FY22 is the first year we have calculated and reported emissions from employee commuting and homeworking. Before the Covid-19 pandemic, employee commuting, and homeworking was deemed to be outside of our operational control and therefore not reported. Covid-19 has had significant implications for working patterns and consequently a hybrid working model has

become embedded during FY22. This means we consider commuting and homeworking now to be a fundamental part of our operating model and we will purchase offsets/ CERs to cover this new emissions category from FY22 onwards. For transparency and comparability, we have retrospectively calculated emissions in this category and reflected this in the Gross and Net emissions totals for FY19 - FY21. Due to limitations on actual data, it should be noted that the majority of the commuting and working from home calculation rests on assumptions. We will refine these assumptions and improve the methodology moving forwards.

4. For consistency across NSE, the Full-Time Equivalents (FTE) data used to normalise our environmental data is sourced from NSE internal management reporting. These FTE amounts vary slightly with those reported in statutory financial statements depending on country-specific reporting requirements.
5. Our supply chain target is tracked at a Global/DTTL level as that is where our core Procurement function sits. All global Deloitte member firms contribute to progress against this target.