
GHG Emissions Basis of Reporting

Deloitte North & South Europe

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DELOITTE NSE

1. Introduction

This document sets out the principles, methodologies and assumptions used by Deloitte North-South Europe geographies in the preparation and reporting of their greenhouse gas (GHG) emissions data. This data will publicly be reported to demonstrate progress against our reduction targets.

2. Principles of reporting

The data and associated data management and validation processes are designed to be:

- **Relevant:** criteria result in subject matter information that assists decision making by the intended users.
- **Complete:** criteria are complete when subject matter information prepared in accordance with them does not omit relevant factors that could reasonably be expected to affect decisions of the intended users made based on that subject matter information. Complete criteria include, where relevant, benchmarks for presentation and disclosure.
- **Reliable:** criteria allow reasonably consistent measurement or evaluation of the underlying subject matter including, where relevant, presentation and disclosure, when used in similar circumstances by different practitioners.
- **Neutral:** criteria result in subject matter information that is free from bias as appropriate in the engagement circumstances; and
- **Understandable:** criteria result in subject matter information that can be understood by the intended users.

3. Organisational boundaries

Deloitte NSE is composed of the following geographies: Belgium, Denmark, Finland, Greece, Iceland, Ireland, Italy, Malta, Middle East, Netherlands, Norway, Sweden, Switzerland and UK. All these geographies are in scope of GHG emissions reporting.

Reporting is based on the scope of Deloitte NSE's operational control. Operational control is defined at a geography level dependent on the local definitions of what constitutes:

- Deloitte operational offices with either sole or partial occupancy; and
- Deloitte employees

All operational offices within these geographies are within scope from point of acquisition to time of divestment. This is based on the NSE portfolio in the Deloitte CORE real estate database. This database is updated by CORE every December and June; due to our reporting timescales, the most recent portfolio available is from the December of the current fiscal year.

The activities of Deloitte employees are in scope in Deloitte offices, travelling on business, and working from home, but not from client site.

The baseline year is from 01 June 2018 to 31 May 2019 ("FY19"). This was the most recent reporting year at the time our science-based targets were set, following the SBTi methodology.

This reporting period is from 01 June 2021 to 31 May 2022 ("FY22").

4. Metrics

Deloitte NSE reported on carbon emissions in line with the GHG Protocol classifications as follows:

- Scope 1 emissions, direct emissions from owned or controlled sources:
 - Fuel combustion
 - Owned vehicle fleet (internal combustion engine)
- Scope 2 emissions, indirect emissions from the generation of purchased energy:

- Owned vehicle fleet (electric)
- Electricity consumption (both location and market-based)
- District heating and cooling
- Scope 3 emissions, indirect operational emissions:
 - Air travel (km) (both including and excluding radiative forcing)
 - Rail
 - Taxi
 - Car rentals
 - Reimbursed mileage
 - Hotel (nights)
 - Purchased Goods & Services
 - Employee Commuting & Homeworking

We also report the broader environmental metrics of:

- Water usage (m³)
- Waste produced (t) split by,
 - Mixed Recycling
 - Paper Recycling
 - Food
 - Residual Waste to Energy
 - Residual Waste to Landfill

4.1 Scope 1 emissions

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
Fuel combustion	Carbon emissions associated with natural gas consumption	<p>Natural gas consumption data is obtained in the following priority:</p> <ol style="list-style-type: none"> 1. Automatic Meter Readers (AMR) which take readings of consumption data on a repeated, periodic basis 2. Manual meter readings taken by local building management teams 3. Consumption data as provided by utility providers. This is a lower priority as utility billing often considers significant estimations if Deloitte is not the sole occupant of measured building <p>Where the geography has offices within their local portfolio which are not sole-occupancy, natural gas consumption is apportioned, based on the occupied floor area for the site.</p> <p>Where actual data is not available, the following method of estimation is followed:</p> <ol style="list-style-type: none"> 1. If an office has reported gas consumption for a prior year and this data has been validated, an office benchmark (kWh/m²) is created by dividing their consumption in that year by the occupied floor area (m²) in that year. This benchmark is multiplied by the occupied floor area in the current year to infer the consumption. 2. If an office has never reported gas consumption, the data is inferred using an average benchmark (kWh/m²). The average benchmark is created by totalling the gas consumption for all offices across NSE that have reported and had their data validated and dividing this figure by the occupied floor area (m²) of those offices. This figure is multiplied by the occupied floor area (m²) of the offices that have been unable to report but are known to use natural gas, to ensure there are no gaps in the data. <p>Emission factors are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK).</p> <p>There are no exclusions for this metric</p>	tonnes CO ₂ e
Owned vehicle fleet (internal combustion engine)	Carbon emissions associated with the distance travelled by the Deloitte NSE's owned vehicle fleet	Owned vehicle fleet related emissions are those generated and emitted by the employees' cars that the geography owns and provides to their employees for work related travel. Mileage data is collated through central finance systems in the appropriate geography or through manual odometer meter readings. The data is collected on an annual basis.	tonnes CO ₂ e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
	powered by internal combustion engine (i.e. diesel/ petrol/ hybrid)	<p>Data is only collected in those geographies where vehicles are included within the contracted benefits of an employee. For these vehicles both business and 'personal' mileage must be included. For geographies where data on 'personal' mileage is not available, the business- to personal mileage ratio of the Belgium geography (only known ratio) is applied.</p> <p>Emission factors are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK).</p> <p>There are no estimations for this metric</p> <p>There are no exclusions for this metric</p>	

4.2 Scope 2 emissions

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
Owned vehicle fleet (electric & plug-in hybrid)	Carbon emissions associated with the distance travelled by the Deloitte NSE's owned vehicle fleet powered by a hybrid or fully electric engine	<p>Owned vehicle fleet related emissions are those generated and emitted by the employees' cars that the geography owns and provides to their employees for work related travel. Electricity recharge data is collated through central finance systems in the appropriate geography. The data is collected on an annual basis.</p> <p>Data is only collected in those geographies where vehicles are included within the contracted benefits of an employee. For these vehicles both business and 'personal' mileage must be included. For geographies where data on 'personal' mileage is not available, the business- to personal mileage ratio of the Belgium geography (only known ratio) is applied.</p> <p>Emission factors are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK).</p> <p>Where actual data for the kWh consumption or distance in km for the owned plug-in hybrid vehicles is not available, an estimate of the kWh electricity consumption is calculated using the validated data from the Netherlands. We calculate the average kWh consumption for one plug-in hybrid vehicle and multiply this by the number of plug-in hybrid vehicles in the Geography where the data is not available. This increases the renewable energy certificates purchased.</p> <p>There are no exclusions for this metric</p>	tonnes CO ₂ e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
Electricity	<p>Location-based</p> <p>Carbon emissions associated with the electricity consumption reflecting the average emission intensity of local grid mix</p> <p>Market-based</p> <p>Carbon emissions associated with the electricity consumption reflecting the electricity sources geographies have chosen</p>	<p>Electricity consumption data is obtained in the following priority:</p> <ol style="list-style-type: none"> 1. Automatic Meter Readers (AMR) which take readings of consumption data on a repeated, periodic basis 2. Manual meter readings taken by local building management teams 3. Consumption data as provided by utility providers. This is a lower priority as utility billing often considers significant estimations if Deloitte is not the sole occupant of measured building. <p>Where the geography has offices within their local portfolio where Deloitte do not have sole-occupancy and where sub-metering is not in place, electricity consumption will be apportioned based on the occupied floor area over the total floor area.</p> <p>The data is reviewed upon receipt for significant variances vs. the prior year. Where offices report verifiable data, but it is a standard deviation lower than the mean benchmarked consumption we assume we are receiving only partial data. In these instances, the consumption for that office is estimated, as below.</p> <p>Where actual data is not available, the following method of estimation is followed:</p> <ol style="list-style-type: none"> 1. If an office has reported electricity data for a prior year and this data has been validated, an office benchmark (kWh/m²) is created by dividing their consumption in that year by the occupied floor area (m²) in that year. This benchmark is multiplied by the occupied floor area in the current year to infer the consumption. 2. If an office has never reported electricity data, the consumption is inferred using an average benchmark (kWh/m²). The average benchmark is created by totalling the electricity data consumption for all offices across NSE that have reported and had their data validated and dividing this figure by the occupied floor area (m²) of those offices. This figure is multiplied by the occupied floor area (m²) of the offices that have been unable to report, to ensure there are no gaps in the data. <p>To convert the consumption data into emissions, two-methods are used:</p> <ol style="list-style-type: none"> 1. The location-based method involves using an average emission factor that relates to the local grid from which electricity is drawn. This data comes from the IEA database. 	<p>tonnes CO₂e</p>

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		<p>2. The market-based method involves deriving emissions factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims. This can include energy attribute certificates (RECs, GoOs etc.), direct contracts (for both low-carbon, renewable, or fossil fuel generation), supplier-specific emission rates and other default emissions factors representing the untracked or unclaimed energy and emissions (residual mix).</p> <p>Electricity is from either green (renewable) or brown (non-renewable) sources. For consumption that is matched to renewable energy certificates, an emissions factor of zero is applied to this portion of electricity. The remaining non-renewable electricity will have the EU residual mix factor applied, specific to the country.</p> <p>There are no exclusions for this metric</p>	
District heating and cooling	Carbon emissions associated with district heating and cooling consumption	<p>District heating and district cooling consumption data is obtained in the same way as electricity consumption data as described above.</p> <p>Where actual data is not available, the following methods of estimation are followed:</p> <ol style="list-style-type: none"> 1. If an office has reported district heating or cooling data for a prior year and this data has been validated, an office benchmark (kWh/m²) is created by dividing their consumption in that year by the occupied floor area (m²) in that year. 2. If an office has not reported district heating or cooling data in a prior year but offices in their geography have reported validated data for the current year, consumption is inferred using an average benchmark (kWh/m²) based on those offices 3. If neither the office nor their geography have reported district heating or cooling data, the consumption is inferred using an average benchmark (kWh/m²) based on those offices in NSE that reported validated data. In all cases, the average benchmark is created by totalling the district heating or cooling data for the appropriate offices and dividing this figure by the occupied floor area (m²) of those offices. This figure is multiplied by the occupied floor area (m²) of the office that is unable to report to ensure there are no gaps in the data. <p>Emission factors are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK).</p>	tonnes CO ₂ e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		There are no exclusions for this metric	

4.3 Scope 3 emissions

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
Operational			
Air travel	Carbon emissions associated with employee air travel	<p>Air travel is primarily booked centrally through a local travel agency in each geography. This party is asked to provide the data on the cost, distance and class of trips taken per year.</p> <p>To ensure completeness of all air travel booked (not all geographies have preferred travel providers and not all travel is booked through the providers), travel expense data is also obtained from the finance system and the data is cross-referenced and uplifted as appropriate to return a consolidated air travel mileage figure. Local expense systems do not provide detail of travel class, therefore this "uplift" is assumed to have the same proportion split by distance/class type as that recorded through our preferred travel providers in each geography.</p> <p>In the UK, air travel mileage is split between the air travel types (domestic, continental, international/intercontinental) and class type (economy, business, premium economy, first). For all other geographies, air travel is divided by relevant class only as per BEIS guidance.</p> <p>Where travel expense data is not available from the finance system in the required granularity (i.e. split by air, hotels etc.) but travel mileage data has been obtained from the travel provider, the uplift is estimated based on the previous year's % uplift; or if no previous data is available, the uplift is estimated based on the average uplift across NSE in the FY21 baseline to return a consolidated air travel mileage figure for that geography.</p> <p>Where air travel mileage data has been obtained in total but not split by class, the split is estimated based on the average split across NSE in the FY21 baseline.</p> <p>The exception to this method is for the Middle East geography. As their air travel patterns are more localised, in FY21 and FY22 they inferred their air travel based upon local records of the number of flights taken. Given that most business trips go between KSA and UAE, a benchmark of 1,000km/ trip is used as an assumption. Previous years followed the estimation method set out below.</p>	tonnes CO ₂ e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		<p>Where neither travel expense data nor mileage data is available from a geography, the data is estimated using the following method: the validated travel data in geographies that are reporting (km) is divided by the headcount in those geographies (FTE) to create a benchmark (km/FTE). This is multiplied by the headcount in the geographies where data is missing to create a total distance for those geographies and split by class using the average across NSE.</p> <p>Emission factors are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK). Across DTTL we choose to use the emission factor that excludes radiative forcing (RF) however for transparency we are also reporting our 'with RF' air emissions.</p> <p>There are no exclusions for this metric</p>	
Rail	Carbon emissions associated with employee rail travel	<p>Rail travel data is obtained in the same way as air travel data as described above.</p> <p>Where mileage data is not available from a geography the data is estimated using the following method: the validated travel data in geographies that are reporting (km) is divided by the headcount in those geographies (FTE) to create a benchmark (km/FTE). This is multiplied by the headcount in the geographies where data is missing to create a total distance for those geographies.</p> <p>Emission factors are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK). With respect to Rail, all rail distance is converted using the UK National factor as that was deemed to be the most applicable.</p> <p>There are no exclusions for this metric</p>	tonnes CO ₂ e
Taxi	Carbon emissions associated with employee taxi journeys	<p>Taxi travel data is obtained in the same way as air travel data as described above.</p> <p>Where mileage data is not available from a geography the data is estimated using the following method: the validated travel data in geographies that are reporting (km) is divided by the headcount in those geographies (FTE) to create a benchmark (km/FTE). This is multiplied by the headcount in the geographies where data is missing to create a total distance for those geographies.</p> <p>Emission factors are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK). In the UK, taxi use from our preferred suppliers is known to be a Medium/Diesel car; while taxi use outside of our preferred supplier is considered to</p>	tonnes CO ₂ e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		<p>have been with a 'black cab'. In the other geographies, taxi use is Regular Taxi. In all cases, we use the 'vehicle km' emission factor.</p> <p>There are no exclusions for this metric</p>	
Car rentals / hired vehicle	Carbon emissions associated with employee car rentals	<p>Car rental travel data is obtained in the same way as air travel data as described above.</p> <p>Where mileage data is not available from a geography the data is estimated using two methods:</p> <ul style="list-style-type: none"> • If Belgium have provided validated car rental data, this is used for a benchmark specific to the Netherlands. In the Netherlands, the validated travel data from Belgium (km) is divided by the headcount to create a benchmark (km/FTE). This is multiplied by the headcount in The Netherlands to create a total distance • In all other geographies that are unable to report this metric, the validated travel data from geographies excluding Belgium and The Netherlands is divided by their headcount to create a benchmark (km/FTE). This is multiplied by the headcount in the geographies where data is missing to create a total distance for those geographies <p>The reasoning is that Belgium and The Netherlands both have large owned car fleets and therefore have little use of rental cars. Excluding these geographies when creating the benchmark is expected to give a more realistic estimated total usage.</p> <p>Emission factors are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK).</p> <p>There are no exclusions for this metric</p>	tonnes CO ₂ e
Reimbursed vehicle distance	Carbon emissions associated with employee reimbursed vehicle distances travelled	<p>Reimbursed vehicle data is collated through local expense systems. Generally, employees submit an expense claim that contains details of the mileage travelled as reimbursement is provided as a fixed cost per mile for each vehicle type.</p> <p>Where mileage data is not available from a geography the data is estimated using one of the following methods:</p> <ul style="list-style-type: none"> • In the Netherlands, the validated travel data from Belgium (km) is divided by the headcount to create a benchmark (km/FTE). This is multiplied by the headcount in The Netherlands to create a total distance 	tonnes CO ₂ e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		<ul style="list-style-type: none"> In all other geographies that are unable to report this metric, the validated travel data from geographies excluding Belgium and The Netherlands is divided by their headcount to create a benchmark (km/FTE). This is multiplied by the headcount in the geographies where data is missing to create a total distance for those geographies <p>The reasoning is that Belgium and The Netherlands both have large owned car fleets and therefore have little use of reimbursed mileage. Excluding these geographies when creating the benchmark is expected to give a more realistic estimated total usage.</p> <p>Emission factors are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK).</p> <p>There are no exclusions for this metric</p>	
Hotel stays	Carbon emissions associated with employee hotel stays	<p>Hotel data is obtained in the same way as air travel data as described above.</p> <p>Where travel expense data is not available from the finance system in the required granularity (i.e. split by air, hotels etc.) but hotel nights data has been obtained from the travel provider, the uplift is estimated based on the previous year's % uplift; or if no previous data is available, the uplift is estimated based on the average across NSE in the FY21 baseline to return a consolidated hotel nights figure for that geography.</p> <p>The exception to this method is for the Middle East geography. In FY21 and FY22, they inferred their hotel use based on local records of hotel spend divided by the average hotel rate per night in KSA and UAE of \$150 per night. Previous years followed the estimation method set out below.</p> <p>Where neither travel expense data nor hotel nights data are available from a geography the data is estimated using the following method: the validated hotel data in geographies that are reporting (nights) is divided by the headcount in those geographies (FTE) to create a benchmark (nights/FTE). This is multiplied by the headcount in the geographies where data is missing to create a "total hotel nights" for those geographies.</p> <p>Emission factors for hotel use are collated by our DTTL global entity using the Cornell University Hotel Benchmarking tool.</p> <p>There are no exclusions for this metric</p>	tonnes CO ₂ e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
Employee Commuting	Carbon emissions associated with the transportation of employees between their homes and their workplaces.	<p>Employee commuting is calculated using a model created by Deloitte, using some actual data, some industry benchmarks and some assumptions.</p> <p>There are 4 data inputs with differing coverage across Geos – FTEs (all Geos), working positions (11 Geos), utilisation (8 Geos) and average commute distance (7 Geos). Estimations have been used to fill the gaps (see Estimations below).</p> <p>The number of people working from the office is calculated using utilisation as a percentage of working positions; number of people working from client site and from home is calculated using FTE and assumptions on the split between office, client site and homeworking. The assumption is: number of heads working in office as a % of total FTEs, is the same as number of heads working on client site as a % of all heads not in the office. This assumes that COVID-influenced working patterns mean that the proportion of people not working at home is similar, whether they are in a Deloitte or client office.</p> <p>The number of trips to the office and to client site over the reporting period is calculated based on estimated working days (see Homeworking below) and commutes per day, applied to the number of people at the office and client site. Total commuting distance is calculated using average commute distances/ trip (much of this is estimated - see below).</p> <p>Due to a lack of actual data, commuting mode has been split simply between rail (proxy for public transport) and car (proxy for personal/ private road transport), based on UK Govt statistics. The appropriate emission factors for average car and average rail are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK).</p> <p>Estimations – it should be noted that due to gaps in input data, the majority of the commuting and working from home calculation rests on assumptions. Where commuting distance data is not available, the average of distances provided by NSE Geos is used (note, 7 Geographies have provided an average commute distance, 1 based on employee surveys, the others on official statistics). Where utilisation data is not available, an NSE average is applied. Where at least 1 year’s working positions data is available, this is used as an estimate for other years; where no working position data is available, an NSE average is used. This is because working positions do not change as quickly as working patterns.</p>	tonnes CO ₂ e
Homeworking	Carbon emissions associated with employees working	<p>Homeworking is calculated using the same model as for employee commuting.</p> <p>The number of people working from home is the same data as for commuting.</p>	tonnes CO ₂ e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
	remotely from their home.	<p>Working days and hours are based on a typical pattern for a Deloitte employee in NSE, considering weekends and paid holidays. Bank holidays have been included as an average of these in the 4 biggest geographies. Homeworking hours are calculated based on the estimated working days and hours, applied to the number of people working from home.</p> <p>Homeworking energy consumption is calculated using four factors – lighting energy, workstation energy, cooling energy and natural gas (heating) energy, applied to homeworking hours. All factors are sourced from a homeworking model created by Deloitte Belgium. These factors derive from industry energy consumption data.</p> <p>This model also contains European regional heating and cooling indices for each region, which alter the heating and cooling factors above based on their typical climates. To simplify for the GHG calculation, these indices have been summarised into cool, moderate and warm, and Geos grouped into them; an average heating and cooling factor then has been applied to each of these 3 categories. The resulting indices are applied to the calculation in the WFH model. Finally, an assumption has been made on the average number of heating (6) and cooling (4) months across NSE.</p> <p>Emission factors are applied to the data for each energy usage type (gas and electricity) and updated annually to reflect the latest guidance and factors published by BEIS (UK).</p> <p>Estimations – it should be noted that due to gaps in input data, the majority of the commuting and working from home calculation rests on assumptions. For utilisation and working positions (which are used to calculate number of homeworkers) are the same as those for employee commuting.</p>	
Upstream			
Purchased Goods & Services	Carbon emissions associated with our supply chain	<p>Deloitte does not use product-level data (e.g. cradle-to-gate GHG emissions for the product of interest) in its PG&S calculations. All emissions are allocated to Deloitte based on the amount spent with each supplier.</p> <p>Purchased goods and services emissions have been calculated using a two-tier approach. Where actual emissions data is shared by our suppliers through the CDP Supply Chain platform, this data is used to calculate Deloitte’s PG&S emissions. This applies to four geographies and covers 59% of emissions. Where no data is available, PG&S emissions are extrapolated using average industry emissions factors obtained from CDP and an average PG&S amount per FTE. Further detail on each tier of the methodology, extrapolations and data sources can be found below.</p>	tonnes CO ₂ e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		<p>Scope 1 & 2/ Tier 1 – CDP data As a member of the CDP Supply Chain program, Deloitte has access to primary emissions data for a subset of suppliers. Should a supplier report their Scope 1 & 2 emissions and revenue to CDP and share their submission with Deloitte, such emissions (Scope 1 & Scope 2 market) are used to calculate supplier-specific Scope 1 & 2 emission intensity factor.</p> <p>The market-based Scope 2 category is used to reflect renewable energy purchases of the suppliers. Scope 2 location-based emissions are used if Scope 2 market-based emissions are not reported to CDP by the supplier. Supplier specific Scope 1 & 2 emission factors are then multiplied by Deloitte spend with each supplier to calculate the emissions attributable to Deloitte in respect of purchased goods and services from that supplier.</p> <p>Scope 1 and 2/ Tier 2 – CDP average emissions factors In cases where CDP supplier specific data is not available, emissions data is estimated using the CDP Sector Averages report available to Deloitte as a part of the CDP Supply Chain program.</p> <p>First, a mapping is created to associate each Deloitte spend category with a corresponding sector, activity group, or activity (more granular level is preferred, where possible) within the CDP Sector Averages report. This has an associated emissions factor. Spend for each supplier is then multiplied by the relevant emissions factor to estimate the Scope 1 & 2 emissions from each supplier that should be allocated to Deloitte.</p> <p>Some suppliers are unclassified in Deloitte spend reports. In these cases, a sector average emission factor for “Other Services” is applied as most of these spend items are for various services.</p> <p>Scope 3 For scope 3 emissions, Deloitte uses CDP emission factors to calculate Scope 3 emissions for all suppliers. The mapping methodology described above associates each Deloitte spend category with a corresponding sector, activity group, or activity (more granular level is preferred, where possible) within the CDP Sector Averages report. Spend for each supplier is then multiplied by the relevant mean emissions factor to arrive at the Scope 3 emissions from each supplier that should be allocated to Deloitte.</p> <p>Extrapolated emissions The above methodology can only be applied where actual spend by vendor is available.</p>	

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		<p>To calculate PG&S emissions for the entire network, an average PG&S amount per FTE is calculated for Deloitte globally, based on the countries where spend data is available. Average PG&S emissions per FTE are then multiplied by the average FTE count of the countries whose spend is not available. Additionally, global contracts signed and paid by DTTL on behalf of the network are distributed to the entire network based on the average FTE count of each country.</p> <p>Updated CDP data is obtained each year, and the most recent supplier and average emission factors available are applied to spend data in the reporting year. The methodology for calculating PG&S emissions, including the approach used to apply emissions factors is re-assessed each year in an effort to improve accuracy of calculated amounts.</p> <p>Some suppliers have been excluded from the spend data where they have been counted in other Scope 3 emissions categories:</p> <ul style="list-style-type: none"> • Travel spending • Utility bills <p>Similarly, some spend amounts are excluded from the data as they do not represent spending on goods or services:</p> <ul style="list-style-type: none"> • Charitable contributions • Tax payments • Fines and legal settlements • All spend associated with category NON-SOURCEABLE (e.g. other taxes, clearing etc.) • Interfirm transactions 	

4.4 Other Environmental Metrics

Reported metric	Definition and scope	Methodology and any applicable estimations	Metric value
Water Use	Water usage in our offices	<p>Water consumption data is obtained in the following priority:</p> <ol style="list-style-type: none"> 1. Automatic Meter Readers (AMR) which take readings of consumption data on a repeated, periodic basis 2. Manual meter readings taken by local building management teams 	m ³

Reported metric	Definition and scope	Methodology and any applicable estimations	Metric value
		<p>3. Consumption data as provided by utility providers. This is a lower priority as utility billing often considers significant estimations if Deloitte is not the sole occupant of measured building.</p> <p>Where actual data is not available, the following method of estimation is followed:</p> <ol style="list-style-type: none"> 1. For all offices that have reported water data and this data has been validated, an office benchmark (m³/headcount) is created by dividing their consumption in that year by the headcount in that year. This benchmark is multiplied by the headcount of the offices that have been unable to report, to infer missing gaps and ensure there are no gaps in the data <p>There are no exclusions for this metric</p>	
Waste Produced	<p>Waste produced in our offices, split by method of disposal:</p> <ul style="list-style-type: none"> • Mixed Recycling • Paper Recycling • Food • Residual Waste to Energy, and • Residual Waste to Landfill 	<p>Waste production data is obtained in the following priority:</p> <ol style="list-style-type: none"> 1. On-site weighing of our waste containers 2. Aggregated supplier data that needs to be apportioned to our demise 3. Counting the # of bags of specific waste types being collected, and applying an average weight for each type of waste <p>Where actual data is not available, the following method of estimation is followed:</p> <ol style="list-style-type: none"> 1. For all offices across NSE that have reported waste data and this data has been validated, an office benchmark (t/headcount) is created by dividing their consumption in that year by the headcount in that year. This benchmark is multiplied by the head count of the offices that have been unable to report, to infer missing gaps and ensure there are no gaps in the data 2. The exception here is with food waste. Here it is assumed the above method should only apply to offices >5,000m² as these are the ones most likely to have dedicated catering (and so food waste) contracts in place <p>There are no exclusions for this metric</p>	tonnes

4.5 Parameters used for normalising our performance vs. targets, and estimations

Reported metric	Definition and scope	Methodology and any applicable estimations	Metric value
FTE	The full-time employees figure returned at year-end, used as a normalisation factor for intensity metrics.	<p>The FTE figure for is provided by the Accounts team and includes:</p> <ul style="list-style-type: none"> • All full-time employees; and • All employees on paternity or maternity leave <p>This figure is sourced from the Finance and Management Accounts teams, which may differ slightly due to different sourcing dates/FTE methodologies applied. Please note that this figure is the average throughout the year.</p>	absolute
Floor area	The total floor area over which Deloitte has significant control or impact, used as a normalisation factor for intensity metrics.	<p>The total floor area across Deloitte NSE includes the aggregation of the following:</p> <ul style="list-style-type: none"> • All sites where Deloitte has sole occupancy; and • The floor area of the occupied space on all sites where Deloitte is not the sole tenant <p>Floor area data for each tenanted site is gathered from the Head of Estates in each geography via the DTTL CoRE Estates List. This data is used to apply apportionment where necessary and reviewed on a 6-monthly basis.</p>	m ²

4.6 Estimations

Integrating data across our geographies is an ongoing process. Due to varying practices, some geographies use estimations for their reported data as an interim solution. Estimations are applied based on actual data from geographies and apportioning as per the parameters outlined in *Section 4.4*. Estimations represent no more than 5% of our Scopes 1&2 emissions.

4.7 Exclusions

Where categories have been excluded from our reporting, our reasoning is below:

Scope 1	Reason for exclusion
Fuel combustion	-
Vehicle fleet (ICE)	-
Scope 2	
Electricity (market-based)	-
District heating and cooling	-
Vehicle fleet (Electric)	-
Scope 3	
Upstream scope 3 emissions	
Purchased goods and services	-
Capital goods	Reported in the PG&S calculation
Fuel- and energy- related activities	Excluded as not material (calculated ~0.5% of emissions)
Upstream transport and distribution	Reported in the PG&S calculation
Waste generated in operations	Excluded as not material (calculated <0.1% of emissions)
Business travel (excl. radiative forcing)	-
Employee commuting and homeworking	Reported and offset from FY22, retrospectively added to FY19-21
Upstream leased assets	Reported in the PG&S calculation
Downstream scope 3 emissions	
Downstream transport and distribution	Not relevant. Deloitte does not sell or transport products
Processing of sold products	
Use of sold products	
End-of-life treatment of sold products	
Downstream leased assets	Downstream asset leasing is only done in rare circumstances. Emissions assumed to be negligible compared to overall footprint
Franchises	Not relevant. Deloitte does not own franchises
Investments	Not relevant according to the GHG Protocol as Deloitte is not a financial institution

5. Data Confidence

Data comes from various sources – with some being more detailed and mature than others. Below we have outlined the confidence we have in the emissions reported in each category based on the proportion of those emissions that were calculated using actual supplier data.

The confidence levels we use are: Low [1-34%], Medium [34-67%] and High [67-100%]

Scope 1	Confidence	% of emissions calculated using data obtained from suppliers/value chain partners
Fuel combustion	High	81%
Vehicle fleet (ICE)	High	100%

Scope 2		
Electricity (market-based)	High	100%
District heating and cooling	High	93%
Vehicle fleet (Electric)	High	100%
Scope 3		
Purchased goods and services	Medium	59%
Employee commuting and homeworking	Low	15%
Business travel (excl. radiative forcing)	High	96%

6. Restatement Policy

In instances where, due to a change in calculation methodology, a structural change to the organisation or improvements in data accuracy, our emissions are materially misstated, Deloitte NSE will update these figures in the subsequent annual reporting.

A material misstatement is deemed to be that returning a variance of greater than or equal to **5%**. The restatement will be accompanied with an explanation as to why the data quality has improved. This applies to the baseline year and all subsequent reported years.

7. Conversion factors

Geographies report their annual consumption data centrally to the NSE GHG emissions reporting team, where all data is aggregated, and emissions factors are applied. We use emissions factors published by BEIS (UK); IEA; and the EU that align with international GHG emissions accounting benchmarks.

NSE GHG emissions are reported in tonnes CO₂e. Emissions factors that aggregate both CO₂ gas, and non-CO₂ gases that have been uplifted depending on their Global Warming Potential (GWP) as listed in the IPCC Fourth Assessment Report (AR4 - 100 year), to create a CO₂ equivalent (CO₂e) total. The GWP factors used are CO₂ = 1; CH₄ = 25; N₂O = 298

8. Validation procedures

Geographies are responsible for their own validation and integrity procedures over the data submitted as part of NSE reporting. This includes trend analysis, comparison with prior year data and sample testing over material consumptions.

9. Materiality assessment

All emission sources are assessed on an annual basis to determine whether the omission of smaller sources have a material impact on both the geography emissions and NSE Deloitte level emissions. Scope 3 emissions are the aggregate of a range of consumption sources which often do not have sufficient data management and reporting practices surrounding them in place. Materiality assessment over Scope 3 emission sources will be performed on a periodic basis to ensure that all material emission data streams are included within the scope of reporting.