

# FY2014 Basis of reporting

## Scope and methods for performance measurements

Deloitte Touche Tohmatsu Limited (DTTL) adhered to widely accepted standards in developing this report. These standards define a systematic approach to understanding the issues that the 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, Deloitte observed standards from the Committee Encouraging Corporate Philanthropy (CECP) and the London Benchmarking Group (LBG). The monetary value of community activities by member firm people was estimated according to the type of service performed. The value of volunteer work was based on local member firms' staff costs. Pro bono work, defined as work that the member firms have delivered to nonprofit organizations free of charge or at a significantly reduced rate, has been valued at fair market rates representative of the local member 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. Deloitte has applied recent, authoritative, and locally specific GHG emissions factors as available and as appropriate for the countries in the

report's scope. While the reporting for FY2014 includes a significant number of Scope 3 sources, it does not consider full upstream and downstream emissions across all sources. FY2014 environmental performance data in this report was directly collected from 28 member firms and from DTTL. These entities represent 91 percent of aggregate Deloitte people and 94 percent of aggregate member firm revenues. Extrapolations were used to account for the emissions of the remainder of the organization that did not directly report data. FY2014 societal impact data was reported by 34 member firms and by DTTL, which represent 95 percent of aggregate Deloitte people and 97 percent of aggregate member firm revenues. Estimates of societal impact contributions were not made for the member firms that did not report this data due to the variations in societal impact activities across member firms. It should be recognized that this limits the year-to-year comparability of the data. Comparability is expected to improve over time as the number of nonreporting member firms decrease. 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 addition to adhering to the [UN Global Compact](#) and [Global Reporting Initiative \(GRI\) 3.1](#) frameworks for reporting, this report was prepared according to the principles of inclusivity, materiality, and responsiveness from the AA1000 AccountAbility Principles Standard (AA1000APS).

## Emission factors

DTTL and its member firms are encouraged to select 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. Firms are also provided with default emission factors 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)
- The U.S. Department of Energy (US DOE)

A compilation of emission factors used to calculate the data in the Report is included at the end of this section.

## Changes from FY2013

In FY2014 DTTL made a number of changes to the environmental reporting.

After reviewing several years of data, we have chosen to remove several sources of emissions from the global footprint. We eliminated tracking of refrigerants, district heating, and district cooling at an aggregate network level. In FY2013 these sources individually accounted for less than 3 percent of aggregate global emissions. Additionally these sources often required many assumptions, were frequently time-consuming to obtain and in the case of district heating and cooling used emission factors with very high levels of uncertainties.

We also eliminated paper from the carbon footprint while still tracking overall paper consumption. The paper emission factors we historically relied upon included life-cycle analysis emissions and as such did not align with the concept of annual emissions

inherent in the other footprint calculations. We believe the goal of reducing paper consumption can be tracked and managed by paper usage alone, without the addition of carbon calculations.

In the infographics and performance table included in this report, the previous year's data has been revised using the above approach to maintain comparability.

Another change made in FY2014 was the elimination of the calculation of methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) where published sources did not incorporate these into a carbon-dioxide equivalent (CO<sub>2</sub>e) factor. We also eliminated reconciling emission factors to a consistent set of global warming potentials (GWP). Reporting these greenhouse gases and using a consistent GWP source required a significant increase in emission factor tracking and complexity of calculations without a material impact on the overall reporting given the emission sources in the Deloitte footprint.

Our philosophy behind making these changes was that the additional burden of reporting on these sources was not adding value to our reporting commiserate with the resources required to track and report. The goal in adopting this streamlined approach to reporting is to allow those working in these areas to spend more of their time focused on advancing sustainable actions.

**Building-related emission sources**

Building-related emission sources included in the GHG emissions data of the Report were those associated with the use of electricity, heating oil and natural gas in the office buildings and data centers that DTTL member firms either own or over which they have 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.

Some of the activity data associated with building-related emission sources was available directly to the DTTL member firms. For example, some facilities have direct utility meters or sub-meters from which DTTL member firms obtain readings. For facilities that have no available meter data, activity data for the entire building was typically allocated on the basis of the percentage of total building floor space used (based on rentable square meters) by the DTTL member firm. Where building-specific data was unavailable, DTTL member firms estimated electricity and fuel usage using actual data from a similar building or an average from a recognized source.

A simplifying assumption is used for calculating the volume of diesel fuel used for backup power generation. 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 are those resulting from air travel by professionals flying for business reasons in accordance with DTTL and member firm policies. GHG emissions from flights taken by nonemployees are also reported in instances where flight activity data is captured in DTTL or member firm travel systems and reimbursed or paid for by DTTL or a member firm (such as travel by family members in accordance with policies or travel by prospective DTTL and member firm professionals). The majority of business air travel data was obtained from DTTL and member firm 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). Where data on seat class was available class-specific emission factors were also applied (e.g., First, Business, Premium Economy, Economy). An uplift factor of 1.08 is now included in the DEFRA emission factor to account for nondirect routes, delays, and circling. The emission factors used did not include radiative forcing or indirect emissions.

During calculation of Deloitte U.S. air emissions it was determined that there was significantly more uncertainty associated with identifying seat class for the U.S.-sourced data than was initially assumed when this practice started in FY2012. After discussions with the travel agency and travel professionals internal to Deloitte U.S., differentiation of activity data by seat class was removed and Deloitte U.S. FY2014 emissions were

based solely on the length of the flight. FY2012 and FY2013 data included in the performance table was revised to reflect this recalculation and the overall change for each of these prior years was around a 2 percent reduction in 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 and/or the member firm), reimbursed driving (personnel driving in personal cars for which they are reimbursed), rental cars (personnel driving in rented/hired cars, for which the member 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, odometer logs, 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 traveled) for vehicles according to vehicle type (bus or car), fuel type (diesel, petrol, hybrid, or unknown), and location.

A very limited amount of employee commuting activity data was available from member firms. Where available, this information was added to the emissions total. As more member firms collect this data, reporting is expected to grow in future years.

**Business travel — Rail**

Rail travel accounts for GHG emissions from employee trips on subways, railways, and trams, with different GHG emission factors used for each type of rail system. Activity data sources included travel agency reports, employee expense reports, company accounting systems, receipts, and other records indicating the distance and location of trip segments. In cases where actual distance was unavailable, estimates were made using travel expense data and average travel costs per unit of distance traveled.

**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 and member firm policies. Data was collected from corporate travel agency records, employee travel expense reports, and internal records. In FY2014 an updated emission factor was identified and used. This factor was approximately 15 percent lower per night's stay than the emissions factor used in previous years.

**Estimations**

In calculating emissions, various 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 or member firm expense systems. Travel expenses recorded in DTTL or member firm expense systems often exceeded the corresponding expenses recorded by travel providers because of travel arrangements made outside of reservation systems or without travel agencies. In cases where such differences were identified, the travel activity data associated with the incremental cost was estimated based on the same proportion of cost to activity that was reflected in the original travel system reservation.

Not every member firm has the capacity to report activity data for GHG emissions, and some member firms report on some, but not all, of the activities within the report boundaries. Ratios of emissions per full time equivalent (FTE) by emission source were calculated for the member firms that reported, and averages of these ratios were calculated based on clusters of geographic location and size. Using the appropriate cluster ratio, missing data was extrapolated based on the known FTE data.

Consistent with other GRI indicators, emissions intensity per FTE was calculated using the FTE total at the reporting year-end (31 May 2014).

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 CO <sub>2</sub> e/unit	Reference
Air Travel – Various lengths and seat classes	0.087-0.350	Passenger km	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1); various factors used depending on class and distance
Air Travel – Various lengths (Belgium)	0.22-0.66	Passenger km	Agence de l’Environnement et de la Maîtrise de l’Energie (ADEME)
Air Travel – Various lengths (Finland, Germany)	0.131-0.190	Passenger km	Travel agency records
Air Travel – Various lengths (Japan)	1.04	Passenger km	Ministry of Land, Infrastructure, Transport and Tourism (MLTI) 2012
Bus (Europe)	0.112	Passenger km	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Bus (Japan)	0.060	Passenger km	Ministry of Land, Infrastructure, Transport and Tourism (MLTI) 2012
Bus (Outside Europe)	0.066	Passenger km	WRI GHG Protocol Tool for mobile sources v2.5 (June 2013)
Electricity (Australia)	200-1170	MWh	Australian Government – National Greenhouse & Energy Reporting Act
Electricity (Belgium)	0	MWh	Electrabel Alp Energy – Hydro energy
Electricity (Canada)	2-856	MWh	Environment Canada National Inventory Report 1990-2011
Electricity (Chile)	430-810	MWh	Ministry of Energy, Chilean Government 2013 data for Central Interconnected System (SIC)
Electricity (China)	871	MWh	China regional average – WRI Calculation Spreadsheet of China Regional Grid Emission Factors for Purchased Electricity
Electricity (Finland)	250	MWh	Finnish Electricity Company
Electricity (France)	78	MWh	Base carbone – Agence de l’Environnement et de la Maîtrise de l’Energie (ADEME)
Electricity (Germany)	559	MWh	Umweltbundesamt, Strommix Deutschland, UBA
Electricity (India)	760-958	MWh	India Environmental Portal CO <sub>2</sub> Baseline Database for the Indian Power Sector – User Guides – 2013-2014
Electricity (Japan)	514-903	MWh	Various Japanese Power Companies

Emission source	Emission factor	Unit kg CO <sub>2</sub> e/unit	Reference
Electricity (New Zealand)	90-190	MWh	New Zealand Ministry of Economic Development – Quarterly Energy Update
Electricity (Norway)	500	MWh	Norwegian Water Resources and Energy Directorate (NVE) Residual Mix (nve.no)
Electricity (South Africa)	1010	MWh	Eskom’s 2014 data
Electricity (UK)	494.2	MWh	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Electricity (U.S.)	248-860	MWh	USEPA eGRID 2013 Version 1.0 Subregion Data (Year 2010)
Electricity (Various countries)	17-856	MWh	IEA Statistics, “CO <sub>2</sub> Emissions from Fuel Combustion Highlights.” 2013 Edition
Hotel Stays	34.59	Nights	Based on select information from Green Hotels Globals™ Q3 2013
Hotel Stays (Australia)	40.91	Nights	Emission factor provided by National Finance 6 Jan 2010
Hotel Stays (France)	33.38	Nights	Carbonfund.com
Hotel Stays (New Zealand)	2.56-7.97	Nights	Ministry for the Environment, Guidance for voluntary, corporate greenhouse gas reporting, 2011 Calendar Year
Mobile Combustion – Black Car/Limo	0.153	Vehicle km	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Mobile Combustion – Car (Average) (Various Fuels) (Finland)	0.143-0144	km	Actual information from the fleet company
Mobile Combustion – Car (Average) (Diesel) (Europe)	0.183	km	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Mobile Combustion – Car (Diesel)	2.601	Liter	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Mobile Combustion – Car (Various Fuels) (Belgium)	2.834-2.947	Liter	Agence de l’Environnement et de la Maîtrise de l’Energie (ADEME)
Mobile Combustion – Car (Hybrid)	0.131	km	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Mobile Combustion – Car (Petrol) (Japan)	2.322	Liter	Ministry of the Environment, Government of Japan, Law Concerning the Promotion of the Measures to Cope with Global Warming
Mobile Combustion – Car (Various fuels) (New Zealand)	2.31-2.69	Liter	Landcare – CarboNZero emissions factor database
Mobile Combustion – Car (Petrol/Gasoline)	2.214	Liter	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Mobile Combustion – Car (unknown fuel)	0.248	km	DTTL estimated using data from WRI (2013) GHG Protocol Tool for Mobile Combustion v 2.5
Mobile Combustion – Car (unknown fuel) (Australia)	0.340	km	Australian Government Department of Climate Change (July 2011) National Greenhouse Accounts (NGA) Factors. Division 4.2

Emission source	Emission factor	Unit kg CO <sub>2</sub> e/unit	Reference
Mobile Combustion – Car (unknown fuel) (New Zealand)	0.237	km	Ministry for the Environment, Guidance for voluntary, corporate greenhouse gas reporting, 2012 Calendar Year
Mobile Combustion – Car or Van (Various fuels) (Netherlands)	3.14	Liter	Stichting Klimaatvriendelijk Aanbesteden en Ondernemen
Mobile Combustion – Car or Van (Various fuels) (France)	2.37-2.70	Liter	Specific fuel providers
Mobile Combustion – Car or Van (Various fuels) (France)	0.167-0.312	km	Base carbone – Agence de l’Environnement et de la Maîtrise de l’Energie (ADEME)
Mobile Combustion – Car or Van (various fuels) (Europe)	0.12 – 0.1470	km	Specific fleet and rental car information
Mobile Combustion – Europe Car (Average) (Petrol)	0.198	km	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Mobile Combustion – Europe/Car (Average) (unknown fuel)	0.190	km	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Mobile Combustion – Motorcycle	0.119	km	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Mobile Combustion – Outside Europe Car (Average) (Diesel)	0.280	km	WRI GHG Protocol Tool for mobile sources v2.5 (June 2013)
Mobile Combustion – Outside Europe/Car (Average) (Petrol)	0.237	km	WRI GHG Protocol Tool for mobile sources v2.5 (June 2013)
Mobile Combustion – Outside Europe/Car-Average (Unknown fuel) (Japan)	0.163-0.204	km	Ministry of the Environment, Government of Japan, Law Concerning the Promotion of the Measures to Cope with Global Warming
Mobile Combustion – Outside Europe/Car-Average (Various fuels) (South Africa)	0.183-0.198	km	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting
Mobile Combustion – Taxi	0.143	Vehicle km	WRI GHG Protocol Tool for mobile sources v2.5 (June 2013)
Mobile Combustion – Taxi (Australia)	0.250	Vehicle km	Calculation based on Australian Government Department of Climate Change (July 2012) National Greenhouse Accounts (NGA) Factors. Schedule 1
Mobile Combustion – Taxi (France)	2.40-2.41	Passenger km	Base carbone – Agence de l’Environnement et de la Maîtrise de l’Energie (ADEME)
Mobile Combustion – Taxi (Japan)	0.168	Vehicle km	Ministry of Land, Infrastructure, Transport and Tourism (MLTI) 2012
Mobile Combustion – Taxi (New Zealand)	0.308	Vehicle km	Landcare – CarboNZero emissions factor database. June 2013
Mobile Combustion – Taxi / Car service (U.S.)	0.252	Passenger km	Specific information from service providers
Mobile Combustion – Taxi/Car service (UK)	0.177-0.328	Vehicle km	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Mobile Combustion – Van (Diesel)	0.227	km	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Mobile Combustion – Van (Petrol)	0.212	km	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)

Emission source	Emission factor	Unit kg CO <sub>2</sub> e/unit	Reference
Mobile Combustion – Van (UK)	0.269	km	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Rail – Average (Light Rail or Tram)	0.101	Passenger km	WRI GHG Protocol Tool for mobile sources v2.5 (June 2013)
Rail – National Rail	0.115	Passenger km	WRI GHG Protocol Tool for mobile sources v2.5 (June 2013)
Rail – Subway	0.101	Passenger km	WRI GHG Protocol Tool for mobile sources v2.5 (June 2013)
Rail – Subway (U.S.)	0.164	Passenger mile	The Greenhouse Gas Protocol Emission Factors from Cross-sector tools. Version 1.1 (June 2011).
Rail (Eurostar)	0.012	Passenger km	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Rail (Japan)	0.022	Passenger km	Ministry of Land, Infrastructure, Transport and Tourism (MLTI) 2012
Rail (Netherlands)	0.03	Passenger km	National Rail
Rail (UK)	0.012-0.047	Passenger km	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Stationary Combustion – Diesel	2.676	Liter	WRI Emission Factors from Cross Sector Tools (August 2012)
Stationary Combustion – Diesel (France)	0.319	kWh	Base carbone – Agence de l’Environnement et de la Maîtrise de l’Energie (ADEME)
Stationary Combustion – Diesel or Heating Oil (Low Heating Value)	74.10	GJ	WRI Emission Factors from Cross Sector Tools (August 2012)
Stationary Combustion – Heating Oil (Japan)	2.71	Liter	Ministry of the Environment, Government of Japan, Law Concerning the Promotion of the Measures to Cope with Global Warming
Stationary Combustion – Liquefied Petroleum Gas (LPG)	1.61	Liter	WRI Emission Factors from Cross Sector Tools (August 2012)
Stationary Combustion – Natural Gas (Japan)	2.149-3.132	Cubic meters	HV-gas company
Stationary Combustion – Natural Gas (Low Heating Value)	56.10	GJ	WRI Emission Factors from Cross Sector Tools (August 2012)
Stationary Combustion – Natural Gas (Switzerland)	0.182	kWh	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Stationary Combustion – Natural Gas (UK)	0.185	kWh	Defra’s 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.1)
Stationary Combustion – Natural Gas (France)	0.235	kWh	Base carbone – Agence de l’Environnement et de la Maîtrise de l’Energie (ADEME)

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