Deloitte.

GHG Emissions
Basis of Reporting

Deloitte North & South Europe (NSE)

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DELOITTE NSE

1. Introduction

This document sets out the principles, methodologies and assumptions used by Deloitte North & South Europe (NSE) geographies in the preparation and reporting of their greenhouse gas (GHG) emissions data. This data is publicly reported to demonstrate progress against our net zero/ GHG emissions 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 and operational 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. The scope of operational control is defined as:

- **Deloitte operational offices**, either sole or partial occupancy
    - All operational offices are within scope from point of acquisition to time of divestment. The list of operational offices is based on the NSE portfolio in the Deloitte CORE real estate database. This database is updated by the CORE real estate team every December and June; due to our reporting timescales, the most recent portfolio available is from the December of the reported fiscal year.
- **Deloitte employees**
    - Deloitte employees means all Full Time Equivalent staff, including equity partners and full-time contractors. The activities of Deloitte employees are in scope in Deloitte offices, travelling on business, and working from home, but not from client site (which is in the operational control of the client).

4. Reporting periods

Deloitte's financial year (and reporting year for environmental reporting) runs from 1 June to 31 May.

The baseline year for our targets is from 1 June 2018 to 31 May 2019 ("FY19"). This was the most recent completed reporting year at the time our science-based targets were set and approved by the SBTi.

The current reporting period is from 1 June 2022 to 31 May 2023 ("FY23").

5. Metrics

Deloitte NSE reports GHG emissions in line with the GHG Protocol classifications as follows:

- Scope 1 emissions, direct emissions from owned or controlled sources:
  - Fuel combustion
  - Owned/leased vehicle fleet (internal combustion engine)
- Scope 2 emissions, indirect emissions from the generation of purchased or acquired:
  - Electricity (both location and market-based)
  - Steam, heat, or cooling (inc. district heating and cooling)
  - Electricity used by our owned/leased vehicle fleet
- 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

To simplify our external reports, we report emissions as CO2e following the guidance of UK SECR/TCFD. CO2e includes all six greenhouse gases outlined in the GHG Protocol.

We also report the broader environmental metrics of:

- Water usage (m^3)
- Waste produced (t) split by,
  - Mixed Recycling
  - Paper Recycling
  - Food
  - Residual Waste to Energy
  - Residual Waste to Landfill

6. Assurance

All the metrics we report undergo limited assurance against the ISAE 3000/3410 standard, from our external assurance provider, BDO.

7. Methodology

7.1 Scope 1 emissions

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
Fuel combustion	Carbon emissions associated with natural gas consumption	Natural gas consumption data is sourced from one of the following, in order of priority: 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 provided by utility providers. Wherever possible data is obtained for the Deloitte occupied space (whether this is the whole building or a leased part). Where actual data submitted is a standard deviation out from the mean NSE consumption (on a per m2 floor area basis), and there is no satisfactory explanation (e.g. office closure), we assume the data is erroneous. In these instances, the consumption for that office is **estimated** using the NSE average (point 3 below). Where actual data for the Deloitte office space is not available, one of the following methods of **estimation** is followed (in priority order): 1. For shared-occupancy offices, natural gas consumption for the whole site is apportioned to the Deloitte area, based on the % Deloitte occupied floor area of the site. 2. Where an office has reported gas consumption for a prior year and this data has been validated, an office benchmark (kWh/m^2) is created by dividing their consumption in that year by the occupied floor area (m^2) in that year. This benchmark is multiplied by the occupied floor area in the current year to infer the consumption. 3. If an office has never reported gas consumption, the data is inferred using an average benchmark (kWh/m^2). 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 (m^2) of those offices. This figure is multiplied by the occupied floor area (m^2) 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. Emission factors are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK). There are no **exclusions** for this metric.	tonnes CO_2e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
Owned/leased vehicle fleet (internal combustion engine)	Carbon emissions associated with the distance travelled by the Deloitte NSE's owned/ leased vehicle fleet powered by internal combustion engine (i.e. diesel/ petrol/ hybrid)	Owned/leased vehicle fleet related emissions are those generated by vehicles that the geography owns/ leases and provides to their employees for work related travel. NOTE: emissions from fuel used by leased ICE vehicles are reported in Scope 1 as they appear as leased assets on the company balance sheet. Data is only collected in those geographies where vehicles are included within the contracted benefits of an employee (i.e., not where vehicle leasing is available through 3rd-party employee deals). This is because Deloitte controls the vehicles available in the leasing scheme and provides a benefit-in-kind to employees. Mileage data is collated through central finance systems or through manual odometer meter readings. The data is collected on an annual basis. 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 is applied. This is because Belgium's data is currently the only reliable actual data available across NSE. Denmark have a small number of cars in the fleet but no consumption or distance data is currently available. Between FY19 and FY22 an **estimate** was included by the Geo in reimbursed mileage. In FY23, consumption data by type is estimated using validated data from the Netherlands and multiplied by the number of vehicles used by Denmark, since Netherlands data is most complete. Emission factors are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK). There are no **exclusions** for this metric.	tonnes CO_2e

7.2 Scope 2 emissions

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
Owned/leased vehicle fleet (electric & plug-in hybrid)	Carbon emissions associated with the distance travelled by the Deloitte NSE's owned/leased vehicle fleet powered by a hybrid or fully electric engine	Owned/leased vehicle fleet related emissions are those generated by the employees' cars that the geography owns/leases and provides to their employees for work related travel. NOTE: emissions from electricity used by leased EV/PHEV vehicles are reported in Scope 2 as they appear as leased assets on the company balance sheet. Electricity recharge data is collated through central finance systems in the appropriate geography. The data is collected on an annual basis. Data is only collected in those geographies where vehicles are included within the contracted benefits of an employee (i.e., not where vehicle leasing is available through 3rd-party employee deals). This is because Deloitte controls the vehicles available in the leasing scheme and provides a benefit-in-kind to employees. 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 is applied. This is because Belgium's data is currently the only reliable actual data available across NSE. 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, since Netherlands data is most complete. 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. Emission factors are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK). There are no **exclusions** for this metric.	tonnes CO_2e
Electricity	**Location-based** Carbon emissions associated with the electricity consumption reflecting the average emission intensity of local grid mix **Market-based**	Electricity consumption data is sourced from one of the following, in order of priority: 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 provided by utility providers. Wherever possible, data is obtained for the Deloitte occupied space (whether this is the whole building or a leased part). Where actual data submitted is a standard deviation out from the mean NSE consumption (on a per m2 floor area basis), and there is no satisfactory explanation (e.g. office closure), we assume the data is erroneous. In these instances, the consumption for	tonnes CO_2e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
	Carbon emissions associated with the electricity consumption reflecting the electricity sources geographies have chosen	that office is **estimated** using the NSE average (point 3 below). Where actual data is not available, one of the following methods of **estimation** is followed (in priority order): 1. For shared-occupancy offices, electricity consumption for the whole site is apportioned to the Deloitte area, based on the % Deloitte occupied floor area of the site. 2. If an office has reported electricity data for a prior year and this data has been validated, an office benchmark (kWh/m^2) is created by dividing their consumption in that year by the occupied floor area (m^2) in that year. This benchmark is multiplied by the occupied floor area in the current year to infer the consumption. 3. If an office has never reported electricity data, the consumption is inferred using an average benchmark (kWh/m^2). 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 (m^2) of those offices. This figure is multiplied by the occupied floor area (m^2) of the offices that have been unable to report, to ensure there are no gaps in the data. To convert the consumption data into **emissions**, two methods are used: 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. 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). 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. There are no **exclusions** for this metric.	

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
District heating and cooling	Carbon emissions associated with district heating and cooling consumption	District heating and district cooling consumption data is obtained in the same way as electricity consumption data as described above. Where actual data is not available, the following methods of **estimation** are followed: 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/m^2) is created by dividing their consumption in that year by the occupied floor area (m^2) 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/m^2) 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/m^2) 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 (m^2) of those offices. This figure is multiplied by the occupied floor area (m^2) of the office that is unable to report to ensure there are no gaps in the data. **Emission factors** are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK). There are no **exclusions** for this metric.	tonnes CO_2e

7.3 Scope 3 emissions

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
Operational			
Air travel	Carbon emissions associated with employee air travel	Air travel is primarily booked centrally through a local travel agency in each geography. Where possible, this party is asked to provide the data on the cost, distance and class of trips taken in the reporting year. Not all geographies have preferred travel providers and not all travel is booked though the providers. To ensure completeness of coverage of air travel booked, where a geography can only provide travel provider data an uplift is applied to address the gap between travel booked through the travel provider and travel expensed. This uplift is based on a £/km sourced from the travel provider data, applied to the air travel expenses spend 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 the corresponding geography. 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 as per BEIS guidance. 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. 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, an uplift to the mileage data is applied, based on the weighted average uplift per travel category (air/ hotel) across NSE in the current year. Our Middle East geography uses slightly different methodologies, which have evolved over time: • In FY23, the Middle East started collecting data from ticket invoices or travel providers to calculate travel distances by country and service line. • 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 was used as an assumption. • Previous years followed the estimation method set out below.	tonnes CO_2e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		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. In FY23 this method wasn't required for any geographies due to improvements in travel data collection. **Emission factors** are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK). In line with Deloitte Global guidance, we report air travel emissions excluding radiative forcing (RF) as part of our total footprint, however for transparency we also show our 'with RF' air travel emissions. There are no **exclusions** for this metric.	
Rail	Carbon emissions associated with employee rail travel	Rail travel data is obtained in the same way as air travel data as described above. 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. **Emission factors** are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK). All rail distance is converted to emissions using the UK national factor for consistency and to be sure of using a reliable source. There are no **exclusions** for this metric.	tonnes CO_2e
Taxi	Carbon emissions associated with employee taxi journeys	Taxi travel data is obtained in the same way as air travel data as described above. 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. **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	tonnes CO_2e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		to be a Medium/Diesel car; while taxi use outside of our preferred supplier is considered to 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. There are no **exclusions** for this metric.	
Car rentals / hired vehicle	Carbon emissions associated with employee car rentals	Car rental travel data is obtained in the same way as air travel data as described above. Where mileage data is not available from a geography the data is **estimated** using two methods: • For 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 supply actual data, 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. • 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. **Emission factors** are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK). There are no **exclusions** for this metric.	tonnes CO_2e
Reimbursed vehicle distance	Carbon emissions associated with employee reimbursed vehicle distances travelled	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. Where mileage data is not available from a geography the data is **estimated** using one of the following methods: • 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_2e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		• 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. 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. **Emission factors** are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK). There are no **exclusions** for this metric	
Hotel stays	Carbon emissions associated with employee hotel stays	Hotel data is obtained in the same way as air travel data as described above. 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, an uplift to the hotel nights data is applied, based on the weighted average uplift per travel category (air/ hotel) across NSE in the current year. Our Middle East geography uses slightly different methodologies, which have evolved over the years: • In FY23, the Middle East started collecting data from ticket invoices or travel providers on hotel stays. • 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 general estimation method set out below. 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. In FY23 this was not required for any geographies due to improvements in travel data collection. **Emission factors** for hotel use are collated by our DTTL global entity using the Cornell University Hotel Benchmarking tool.	tonnes CO_2e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		There are no **exclusions** for this metric	
Employee Commuting	Carbon emissions associated with the transportation of employees between their homes and their workplaces.	Employee commuting is calculated using a model created by Deloitte, using some actual data, some industry benchmarks and some **assumptions**. There are 4 data inputs – **FTEs** (all Geos), **working positions** (all Geos), **utilisation** (all Geos) and **average commute distance** (all Geos). Estimations have been used to fill any of the gaps (see Estimations below). 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. 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). Due to a lack of actual data, commuting mode has been split simply between rail (proxy for public transport), walking / cycling, 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). Walking / cycling has an emission factor of zero. **Estimations** – in FY22 where average commute distance data was not available, the average of distances provided by NSE Geos was used. In FY23 all Geographies provided an average commute distance based on official national statistics or employee surveys. Whereas in FY22, utilisation data was often estimated using an NSE average, in FY23 all Geos bar one provided actual data. For working positions, in FY23 all Geos provided actual data.	tonnes CO_2e
Homeworking	Carbon emissions associated with employees working remotely from their home.	Homeworking is calculated using the same model as for employee commuting. The **number of people working from home** is the same data as for commuting.	tonnes CO_2e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		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. **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. 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 in FY19-FY22, 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. From FY23 onwards, Geo specific heating and cooling indices were included. Finally, an assumption has been made on the average number of heating (6) and cooling (4) months across NSE. **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). **Estimations** – For utilisation and working positions (which are used to calculate number of homeworkers) estimations are the same as those for employee commuting. The key assumption in the Employee Commuting and Homeworking method is around the proportion of FTEs not in the office who are on client site (see Employee Commuting section above).	
Upstream			
Purchased Goods & Services	Carbon emissions associated with our supply chain	Scope 3 PG&S emissions are calculated using data collected from select suppliers, combined with broad estimations of emissions per amount spent by purchasing category. As such, the **uncertainty around these reported emissions is high**. Deloitte's methodology for quantifying value chain emissions does not currently allow for the segregation of certain emission sources into the distinct categories of Scope 3. As such, multiple Scope 3 emission categories are combined into a single reported number that is collectively referred to as PG&S. The categories comprising the reported PG&S number include:	tonnes CO_2e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		• Category 1: Purchased goods & services – upstream (cradle-to-gate) emissions from the production of products purchased by Deloitte in the reporting year. Products include both goods (tangible products) and services (intangible products). • Category 2: Capital goods – upstream (cradle-to-gate) emissions from the production of capital goods purchased or acquired by Deloitte in the reporting year. Deloitte purchases a limited amount of capital goods. • Category 4: Upstream transportation and distribution – upstream emissions from transportation and distribution include the scope 1 and scope 2 emissions of third-party transportation companies • Category 8: Upstream leased assets – emissions associated in-use embodied carbon, including maintenance, repair, and retrofit measures during the fiscal year. Note this excludes build-phase embodied carbon (emissions from construction) of leased buildings and operational emissions from leased assets (included in Deloitte's Scope 1 and 2 emissions). These emissions have been calculated using a tiered approach: Tier 1: Where actual emissions data is available directly from Deloitte suppliers (obtained through CDP Supply Chain program or directly from a supplier), this primary data is used to calculate Deloitte's PG&S emissions. Tier 2: Where no supplier data is available, average industry emissions factors are used to estimate Deloitte's emissions (representing secondary data according to the GHG Protocol, Scope 3 Technical Guidance) using a spend-based approach. Tier 3: In limited portions of the Deloitte network where spend data is not currently available, emissions are **estimated** based on an average per FTE figure to yield complete reporting. 74% of NSE PG&S emissions are based on spend data. PG&S calculations are based on the environmentally extended input output (EEIO) model which estimates GHG emissions resulting from the production and upstream supply chain activities of different sectors and products/services in an economy. The EEIO emissions factors are used to estimate cradle-to-gate GHG emissions for categories of spend. Deloitte acknowledges that spend-based calculations have a higher degree of uncertainty than product-level calculations. Currently, the majority of PG&S calculations utilize a spend-based approach. Deloitte continuously seeks opportunities to incorporate additional product-level data (e.g. cradle-to-gate GHG emissions for the product of interest) in its PG&S calculations. As	

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		availability of such data increases and its quality matures, we anticipate moving toward product-level calculations for key categories of goods and services. **Exclusions:** Some suppliers have been **excluded** from the spend data where they have been counted in other emissions categories: • Travel spending • Utility bills • Rent payments In FY2023, Deloitte revised the methodology for calculating real estate emissions included in reported purchased goods and services (PG&S) emissions to align with updated guidance from the real estate sector. As a result of the updated guidance, Deloitte has removed upfront embodied carbon real estate emissions from reported PG&S emissions. Going forward, upfront embodied carbon will be included in PG&S for Deloitte-owned buildings only in the year the emissions are incurred. Furthermore, all rent payments were excluded from FY23 PG&S emissions to prevent double counting of emissions. Similarly, some spend amounts are **excluded** from the data as they do not represent spending on goods or services: • Charitable contributions • Tax payments • Fines and legal settlements • All spend associated with category NON-SOURCEABLE (e.g. other taxes, clearing etc.) • Interfirm transactions	

7.4 Other Environmental Metrics

Reported metric	Definition and scope	Methodology and any applicable estimations	Metric value
Water Use	Water usage in our offices	Water consumption data is sourced from one of the following, in order of priority:	m^3

Reported metric	Definition and scope	Methodology and any applicable estimations	Metric value
		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. Wherever possible data is obtained for the Deloitte occupied space (whether this is the whole building or a leased part). Where actual data for the Deloitte office space is not available, one of the following methods of **estimation** is followed (in priority order): 1. For all offices that have reported water data and this data has been validated, an office benchmark (m^3/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 There are no **exclusions** for this metric.	
Waste Produced	Waste produced in our offices, split by method of disposal: • Mixed Recycling • Paper Recycling • Food • Residual Waste to Energy, and • Residual Waste to Landfill	Waste production data is sourced from one of the following, in order of priority: 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 Wherever possible data is obtained for the Deloitte occupied space (whether this is the whole building or a leased part). Where actual data for the Deloitte office space is not available, one of the following methods of **estimation** is followed (in priority order): 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 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 is with food waste. Here it is assumed the above method should only apply to offices >5,000m^2 as these are the ones most likely to have dedicated catering (and so food waste) contracts in place There are no **exclusions** for this metric.	tonnes

7.5 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.	The FTE figure for is provided by the Accounts team and includes: • All full-time equivalent employees; and • All employees on paternity or maternity leave 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.	absolute
Floor area	The total floor area over which Deloitte has significant control or impact, used as a normalisation factor for intensity metrics.	The total floor area across Deloitte NSE includes the aggregation of the following: • 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 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.	m^2

7.6 Estimations

Integrating data collection processes across our geographies is an ongoing process. Due to varying practices, some geographies use estimations for parts of their reported data. Estimations are generally based on actual data from those geographies which do collect it and apportionment, as detailed in Section 7. See the Data Confidence section below for more on estimated and actual data proportions.

7.7 Exclusions

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

Scope 1	**Reason for exclusion**
Fuel combustion	-
Vehicle fleet (ICE)	-
Fugitive gas emissions	Excluded as not a historically material source of emissions
Backup generators	Excluded as not a historically material source of emissions
Owned combustion engine fleet vehicles	Excluded as not a historically material source of emissions
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
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

8. 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 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 primary sources**
Fuel combustion	High	77%
Vehicle fleet (ICE)	High	99%
Scope 2		
Electricity (market-based)	High	100%
District heating and cooling	High	92%
Vehicle fleet (Electric)	High	88%
Scope 3		
Purchased goods and services	Low	4%
Employee commuting and homeworking	Medium	47%
Business travel (excl. radiative forcing)	High	88%

9. Restatement Policy

In instances where, due to a change in calculation methodology, a structural change to the organisation, new acquisitions or divestments 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%** at the Scope 1, 2 or 3 level. 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.

10. 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 and in certain cases we use other specific emissions factors. All factors are noted against the relevant emissions sources in sections 7.1 - 7.5 above.

NSE GHG emissions are reported in tonnes CO_2e. These Emissions factors aggregate both CO_2 and the other greenhouse gases listed in the IPCC Fourth Assessment Report (AR4 - 100 year), to create a CO_2 equivalent (CO_2e) total. The GWP factors used are CO_2 = 1; CH_4 = 25; N_2O = 298

11. 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. Geo data is reviewed by a senior person in the local geography prior to submission to NSE. The NSE team collate and consolidate data from geographies and convert the activity data into emissions. The NSE team follow up gaps and significant variances identified with the local teams before sharing the data with the auditors. Our auditors conduct limited assurance over the data (see section 6). Quality reviews of the NSE data are performed by senior members of the NSE WorldClimate team and the data is approved by NSE leadership before publication.

12. Materiality assessment

All emission sources are assessed on a periodic 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.