

# Deloitte NSE LLP

Independent Limited Assurance  
Statement

Environmental Performance Data  
Assurance Report FY23

September 2023



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# Independent Limited Assurance Report to Deloitte NSE LLP

## Background and introduction

BDO LLP ('BDO' or 'we') was engaged by Deloitte NSE LLP ('Deloitte NSE') to undertake a limited assurance engagement on the environmental performance data for the financial year ending on 31 May 2023 (figures reviewed shown in Appendix 1 and 2 to this report) as disclosed in the Deloitte NSE Greenhouse Gas Statement ('the Report') in line with Deloitte NSE's Basis of Reporting.

We have performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000), Assurance other than Audits or Reviews of Historical Financial Information, as well as the International Standard on Assurance Engagements 3410 (ISAE 3410) Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board.

The engagement covered all entities and all facilities either owned or under the operational control of Deloitte NSE in the following geographies:

- |           |                   |               |
|-----------|-------------------|---------------|
| • Belgium | • Ireland         | • Norway      |
| • Denmark | • Italy           | • Sweden      |
| • Finland | • Malta           | • Switzerland |
| • Greece  | • Middle East     | • UK.         |
| • Iceland | • The Netherlands |               |

Our review was limited to the data reported in the Deloitte NSE Report ('the subject matter') comprising:

- The total emissions relating to Scope 1, 2 and 3 Greenhouse Gases
- The total energy consumption relating to Scope 1, 2 and 3 Greenhouse Gases
- Electricity procured from green tariffs and purchased energy attribute certificates (EACs)
- Certified Emission Reduction offset certificates (CERS)
- Non-carbon metrics relating to water (m<sup>3</sup>) and waste (tonnes)
- Energy efficiency actions.

We have not performed any procedures with respect to other information included in the Report and, therefore, no conclusion on the Report as a whole is expressed.

## Deloitte NSE's responsibilities

The Directors of Deloitte NSE are responsible for:

- The preparation of the subject matter in accordance with Deloitte NSE's Basis of Reporting
- The accuracy and completeness of the information contained in the report
- The design, implementation and maintenance of internal controls relevant to the preparation of the report to provide assurance that the report is free from material misstatement, whether due to fraud or error, to the extent possible given developing methodologies
- Preparing the subject matter in accordance with the applicable criteria and for the content and statements contained therein.

## Inherent uncertainty

ISAE 3410 recognises that Greenhouse Gas quantification process can rarely be 100 per cent accurate due to:

- Scientific uncertainty, arising from incomplete scientific knowledge about the measurement of the gases
- Measurement uncertainty, arising from limitations in measurement techniques and the use of estimations.

Where significant assumptions or deductions are utilised, they are disclosed.

BDO LLP is a limited liability partnership and is authorised and regulated by the Financial Conduct Authority to conduct investment business

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Registered number: OC305127  
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### Criteria

The subject matter was prepared in accordance with the Deloitte NSE Basis of Reporting which references the Greenhouse Gas Protocol, a Corporate Accounting and Reporting Standard (revised edition, 2004) and Corporate Value Chain (Scope 3) Standard. The relevant emission factors, based upon the FY23 reporting period, were applied from published guidelines included but not limited to the UK Government, the International Energy Agency (IEA) and AIB European Residual Mixes.

A materiality level of five per cent of the consolidated Deloitte NSE reporting was set by Deloitte NSE. The testing conducted across the 14 Deloitte NSE geographies in scope of the reporting varied based upon the proportion of activity data (e.g. energy consumption) and corresponding emissions relating to Scope 1, 2 and 3. Testing focused on the countries which, per emission source, accounted for a significant proportion of the Deloitte NSE energy consumption and emissions and were individually material. Other countries were tested only when there was potential for errors to accumulate to material amounts.

### Our responsibility

Our responsibility is to express a limited assurance conclusion, in accordance with ISAE 3000 and ISAE 3410, as to whether the reported subject matter (as set out in Appendix I and II) has been prepared in accordance with Deloitte NSE's Basis of Reporting and to provide this in a report to Deloitte NSE. The standard required that we:

- Comply with the requirements of Part A and B of the Code of Ethics for Professional Accountants, including independence, issued by the International Ethics Standards Board for Accountants (the IESBA Code); and
- Implement quality control procedures that are applicable to the individual engagement in accordance with the requirements of International Standard on Quality Management for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements (ISQM 1).

A limited assurance engagement undertaken in accordance with ISAE 3000 and 3410 involves assessing the suitability of Deloitte NSE's use of their reporting procedures as the basis for the preparation of the subject matter whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the subject matter, and GHG statement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including the understanding of internal control, and the procedures performed in response to the assessed risks. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Work performed

The procedures selected, and our determination of the nature, timing and extent of these procedures, depend on our judgement including the assessment of the risks of material misstatement, and non-compliance with laws and regulations relevant to the subject matter. Our procedures included, but were not limited to:

- Review of the Deloitte NSE Basis of Reporting to understand and identify risks of material misstatement in the associated Report
- Interviews with key personnel to understand the systems and controls in place during the reporting period
- Review and assessment of the systems, processes and controls to collate, aggregate, validate and report the data
- Evaluated the materiality of the locations based on reported emissions and considered this for reasonableness against the Deloitte estate and activity in those locations
- Tested the key processes and controls covering the consolidation process and presentation of Deloitte NSE level data



- Reviewed the reasonableness of information provided by Deloitte NSE, including data provided by the NSE geographies, outsourced facilities managers or outsourced travel management companies
- Performed analytical procedures and sample tests on collated data and conversion factors applied in accordance with published guidelines. This included reviewing any matters showing significant variations from prior years
- Confirmed the purchase of Certified Emission Reduction (CERS) and Energy Attribute Certificates (EACs) offset certificates
- Reviewed the draft disclosures contained within the Deloitte UK Business and ESG Performance metrics for FY23, dated 22 September 2023 and the corresponding Deloitte NSE Greenhouse Gas Statement (v2.2), to assess alignment with the underlying NSE level GHG emissions calculations and activity data.

The relative effectiveness and significance of specific control procedures at Deloitte NSE and their effect on assessment of control risk at a country level are dependent on their interaction with the controls and other factors present at individual country organisations. We have not performed any procedures to evaluate the effectiveness of controls at individual country organisations.

We have not conducted any work outside the agreed scope and therefore restrict our conclusion to the above mentioned subject matter.

#### Inherent limitations

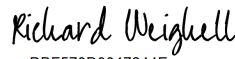
Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact accuracy and comparability. Greenhouse gas quantification is unavoidably subject to inherent uncertainty as a result of both scientific and estimation uncertainty and for other non-financial performance information the precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

#### Restriction of use

This assurance report is made solely to Deloitte NSE in accordance with the terms of our engagement, which include agreed arrangements for disclosure. Our work has been undertaken so that we might state to Deloitte NSE those matters we have been engaged to state in this limited assurance report and for no other purpose. Our limited assurance report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Deloitte NSE for any purpose or in any context. Any party other than Deloitte NSE who obtains access to our limited assurance report or a copy thereof and chooses to rely on our limited assurance report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Deloitte NSE for our work, for this independent limited assurance report, or for the conclusions we have reached.

#### Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the GHG emissions expressed as CO2e and other environmental data noted in the Deloitte NSE Greenhouse Gas Statement report for the financial year ended on 31 May 2023 (as per Appendix I and 2), has not been prepared, in all material respects, in accordance with Deloitte NSE's reporting methodologies.

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**Richard Weighell**  
Partner  
For and on behalf of BDO LLP

55 Baker Street, London W1U 7EU

25 September 2023



## Appendix 1 - Statement of Assured FY23 Greenhouse Gas Emissions Data

Greenhouse Gas Emissions	FY23	
	(tCO <sub>2</sub> e)	(tCO <sub>2</sub> e/FTE)
Scope 1	24,176	0.33
Fuel combustion	3,090	
Vehicle fleet (ICE)	21,086	
Scope 2	1,752	0.02
Electricity (market-based) Note 1	0	
District heating and cooling	1,752	
Vehicle fleet (Electric) Note 1	0	
<b>Total Gross "Operational" Emissions</b>	<b>25,928</b>	<b>0.36</b>
Scope 3	304,507	4.20
Upstream scope 3 emissions		
Purchased goods and services (PG&S) Note 2	221,186	
Capital goods (included in PG&S)	Included in PG&S	
Fuel- and energy- related activities	Not material	
Upstream transport and distribution	Included in PG&S	
Waste generated in operations	Not material	
Business travel (excluding radiative forcing)	50,699	0.7
Employee commuting and homeworking Note 3	32,622	
Upstream leased assets	Included in PG&S	



## Appendix 1 - Statement of Assured FY23 Greenhouse Gas Emissions Data

Greenhouse Gas Emissions	FY23	
	(tCO <sub>2</sub> e)	(tCO <sub>2</sub> e/FTE)
Downstream scope 3 emissions		
Downstream transport and distribution	Not applicable	
Processing of sold products	Not applicable	
Use of sold products	Not applicable	
End-of-life treatment of sold products	Not applicable	
Downstream leased assets	Not material	
Franchises	Not applicable	
Investments	Not applicable	
Total Gross "Operational & Travel" Emissions Note 7	76,627	1.06
Total Gross Emissions	330,435	4.56
Exported renewable electricity	-	
Certified Emission Reductions (CERS) Note 4	109,249	
Total Net "Operational & Travel" Emissions Note 7	0	0.00
Total Net Emissions	221,186	3.05



## Appendix 1 - Statement of Assured FY23 Greenhouse Gas Emissions Data

Other Metrics	FY23	
	Metric	Benchmark
Full-Time Equivalents (FTE) Note 5	72,517	
Floor Area (m <sup>2</sup> )	520,145	
Fuel Consumption (kWh)	115,904,334	1,598 kWh/FTE
Owned, Internal Combustion Engine Vehicles	86,259,534	
Owned, Electric Vehicles	14,488,416	
% electric/plug-in hybrid vehicles in fleet	42%	
Reimbursed Mileage & Car Rentals	15,156,384	
Utilities Consumption (kWh)	90,969,784	175 kWh/m <sup>2</sup>
Gas	16,930,304	
Electricity	61,441,139	
Electricity from Renewables (%) Note 1	100%	
District Cooling	1,522,681	
District Heating	11,075,660	
<b>Total Energy Consumption (kWh)</b>	<b>206,874,118</b>	<b>2,853 kWh/FTE</b>
Water Usage (m <sup>3</sup> ) Note 6	195,663	2.7 m <sup>3</sup> /FTE
Waste Production (tonnes) Note 6	2,715	0.037 t/FTE
Recycled (%)	65%	
Diverted from Landfill (%)	93%	



## Appendix 1 - Statement of Assured FY23 Greenhouse Gas Emissions Data

Note 1. These figures include the EACs purchased.

Note 2. The PG&S methodology is based on procurement spend data for 5 geographies (including UK as the largest). This spend data is the basis for 74% of emissions, with the rest extrapolated based upon FTE. Deloitte applies a number of assumptions to the spend data, including how it allocates spend into procurement categories, how it treats its suppliers' reported Scope 3 emissions, the CDP sector emission factors it applies to each spend category, and the extrapolation factors. Deloitte continually reviews its approach to reduce the risks inherent in these assumptions and the impacts of year-on-year fluctuations.

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. For comparability, this change in methodology has been retroactively applied to previously reported PG&S amounts, which has resulted in a recalculation and restatement of PG&S amounts and emissions totals for the base year and all the previous years' data as shown in Appendix 2 of this report. The recalculation and restatement has resulted in emissions decreases of 46,743 tCO<sub>2</sub>e in FY2022; 49,919 tCO<sub>2</sub>e in FY2021; 39,605 tCO<sub>2</sub>e in FY2020; and 29,700 tCO<sub>2</sub>e in FY2019. Reported FY2023 PG&S emissions would be approximately 30,000 tCO<sub>2</sub>e higher if using the previous methodology. Additional details on this restatement are provided in the Deloitte Global FY2023 Basis of Reporting.

Deloitte will continue to review its approach to Scope 3 reporting in the future, aiming to continually improve the accuracy of its disclosures. When these enhancements lead to a material change in a reported figure, Deloitte is committed to explaining the nature of the change, its reasoning for its appropriateness, and the percentage variance compared to previous methodologies.

Note 3. FY22 was the first year Deloitte calculated and reported emissions from employee commuting and homeworking. Before the Covid-19 pandemic, employee commuting and homeworking was deemed to be outside of its operational control and therefore not reported. Covid-19 has had significant implications for working patterns and consequently a hybrid working model became embedded during FY22. This means Deloitte now considers commuting and homeworking to be a fundamental part of our operating model and accordingly Deloitte now purchases offsets/ CERs to cover this emissions category and will continue to do so going forward. Due to limitations on actual data, it should be noted that a proportion of the commuting and working from home calculation rests on assumptions. Deloitte will refine these assumptions and improve the methodology moving forwards as guidelines develop.

Note 4. From FY23 Deloitte is taking a new approach to Beyond Value Chain Mitigation (BVCM). Deloitte is purchasing CERs ('carbon offsets') equivalent to its Scopes 1&2, business travel and homeworking/ commuting emissions; Deloitte is additionally providing direct investment and skills-based support to projects that will drive the net zero transition outside of its value chain. Deloitte is therefore no longer reporting 'net emissions' that solely factor in carbon credit purchases.

Note 5. For consistency across NSE, the Full-Time Equivalents (FTE) data used to normalise environmental data is sourced from NSE internal management reporting. These FTE amounts vary slightly with those reported in statutory financial statements depending on country-specific reporting requirements.

Note 6. Prior to FY21 a large proportion of water and waste figures was based on estimates. This proportion was reduced in both FY22 and FY23, particularly for water consumption; Deloitte will continue to improve the accuracy of this data moving forwards.

Note 7. Operational & travel emissions refers to scope 1 emissions, scope 2 (market based emissions) and scope 3 business travel emissions. It excludes scope 3 purchased goods and services emissions and scope 3 employee commuting and homeworking emissions.





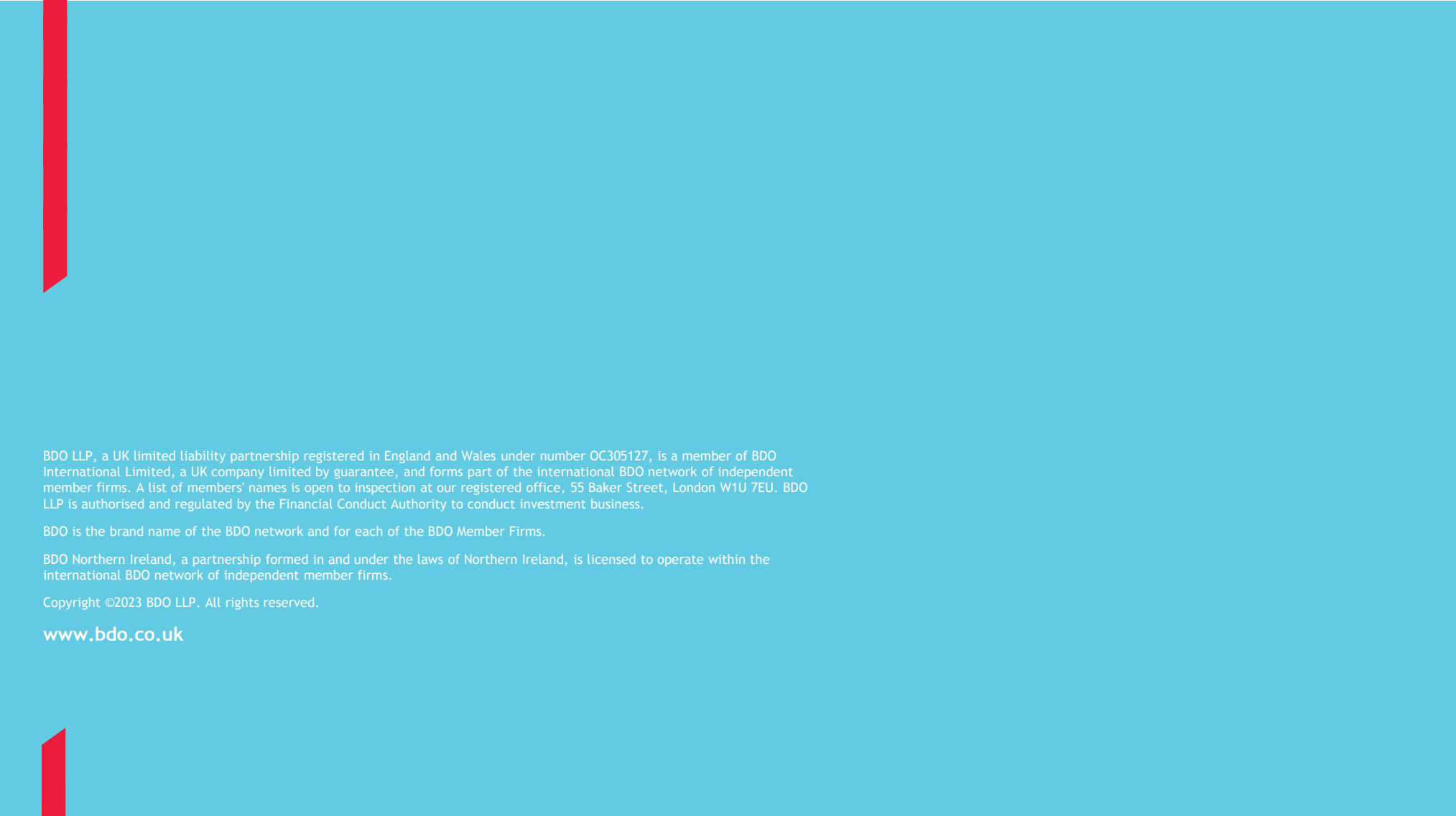

## Appendix 2 - Assured Restatement of Prior Year Greenhouse Gas Emissions Data

Greenhouse Gas Emissions	FY19	FY20	FY21	FY22
	(tCO <sub>2</sub> e)	(tCO <sub>2</sub> e)	(tCO <sub>2</sub> e)	(tCO <sub>2</sub> e)
Scope 1 Note 1	37,329	29,989	19,535	23,846
Scope 2 Note 1	26,818	7,774	2,098	1,978
Total Gross “Operational” Emissions Note 1	64,147	37,763	21,633	25,824
Scope 3	241,864	194,448	89,767	166,364
Purchased goods and services (PG&S) Note 2	111,278	88,900	69,618	122,379
Total Gross Emissions	306,011	232,211	111,400	192,188
Certified Emission Reductions (CERS) Note 3	74,047	112,426	111,400	192,188
Total Net Emissions	231,964	119,785	0	0

Note 1. No change to previously reported GHG emissions

Note 2. Purchased goods and services were restated, per note 2 on the previous page. No other changes were made to Scope 3 emissions.

Note 3. Due to the restatement of PG&S, and decision not to offset PG&S from FY23 onwards, Deloitte has reallocated its CERS across prior years.



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