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# **GHG Emissions Basis of Reporting**

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Deloitte North-South Europe

## 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. Organisation boundaries

GHG emissions reporting is based on Deloitte NSE's operational control. Operational control is defined at a geography level dependent on the definitions for what constitutes:

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

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 sites within the Deloitte NSE portfolios are included from point of acquisition to time of divestment.

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 2020 to 31 May 2021 ("FY21").

## 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

We also report the broader environmental metrics of:

- Water usage (m<sup>3</sup>)
- 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
<b>Fuel combustion</b>	Carbon emissions associated with the natural gas consumption	<p>Natural gas consumption data is obtained in the following priority:</p> <ol style="list-style-type: none"> <li>1. Automatic Meter Readers (AMR) which take readings of consumption data on a repeated, periodic basis</li> <li>2. Manual meter readings taken by local building management teams</li> <li>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</li> </ol> <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 <b>estimation</b> is followed:</p> <ol style="list-style-type: none"> <li>1. If an office has reported gas consumption for a prior year and this data has been validated, an office benchmark (kWh/m<sup>2</sup>) is created by dividing their consumption in that year by the occupied floor area (m<sup>2</sup>) in that year. This benchmark is multiplied by the occupied floor area in the current year to infer the consumption.</li> <li>2. If an office has never reported gas consumption, the data is inferred using an average benchmark (kWh/m<sup>2</sup>). 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<sup>2</sup>) of those offices. This figure is multiplied by the occupied floor area (m<sup>2</sup>) 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.</li> </ol> <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 <b>exclusions</b> for this metric</p>	tonnes CO <sub>2</sub> e
<b>Owned vehicle fleet (internal combustion engine)</b>	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 <sub>2</sub> 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.</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 <b>estimations</b> for this metric</p> <p>There are no <b>exclusions</b> for this metric</p>	

#### 4.2 Scope 2 emissions

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
<b>Owned vehicle fleet (electric)</b>	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.</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 <b>estimations</b> for this metric</p> <p>There are no <b>exclusions</b> for this metric</p>	tonnes CO <sub>2</sub> e
<b>Electricity</b>	<p><b>Location-based</b></p> <p>Carbon emissions associated with the electricity consumption reflecting the average</p>	<p>Electricity consumption data is obtained in the following priority:</p> <ol style="list-style-type: none"> <li>1. Automatic Meter Readers (AMR) which take readings of consumption data on a repeated, periodic basis</li> <li>2. Manual meter readings taken by local building management teams</li> </ol>	tonnes CO <sub>2</sub> e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
	<p>emission intensity of local grid mix</p> <p><b>Market-based</b></p> <p>Carbon emissions associated with the electricity consumption reflecting the electricity sources geographies have chosen</p>	<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 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 <b>estimation</b> is followed:</p> <ol style="list-style-type: none"> <li>1. If an office has reported electricity data for a prior year and this data has been validated, an office benchmark (kWh/m<sup>2</sup>) is created by dividing their consumption in that year by the occupied floor area (m<sup>2</sup>) in that year. This benchmark is multiplied by the occupied floor area in the current year to infer the consumption.</li> <li>2. If an office has never reported electricity data, the consumption is inferred using an average benchmark (kWh/m<sup>2</sup>). 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<sup>2</sup>) of those offices. This figure is multiplied by the occupied floor area (m<sup>2</sup>) of the offices that have been unable to report, to ensure there are no gaps in the data.</li> </ol> <p>To convert the consumption data into <b>emissions</b>, two-methods are used:</p> <ol style="list-style-type: none"> <li>1. The <b>location-based method</b> involves using an average emission factor that relates to the local grid from which electricity is drawn. This data comes from the IEA database.</li> <li>2. The <b>market-based method</b> 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</li> </ol>	

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		<p>emission rates and other default emissions factors representing the untracked or unclaimed energy and emissions (residual mix)</p> <p>Consumption data is combined with details on amount of renewable or supplier specific energy purchased. Where any renewable energy is purchased, 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 <b>exclusions</b> for this metric</p>	
<b>District heating and cooling</b>	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 <b>estimation</b> are followed:</p> <ol style="list-style-type: none"> <li>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<sup>2</sup>) is created by dividing their consumption in that year by the occupied floor area (m<sup>2</sup>) in that year.</li> <li>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<sup>2</sup>) based on those offices</li> <li>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<sup>2</sup>) 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<sup>2</sup>) of those offices. This figure is multiplied by the occupied floor area (m<sup>2</sup>) of the office that is unable to report to ensure there are no gaps in the data.</li> </ol> <p><b>Emission factors</b> are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK).</p> <p>There are no <b>exclusions</b> for this metric</p>	tonnes CO <sub>2</sub> e

#### 4.3 Scope 3 emissions

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
<b>Operational</b>			
<b>Air travel</b>	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 (as not all geographies have preferred travel 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 FY20 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 FY20 baseline.</p> <p>The exception to this method is for the Middle East geography. As their air travel patterns are more localised, in FY21 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 distance of 1,000km/trip is used as an assumption. Previous years followed the estimation method set out below.</p> <p>Where neither travel expense data nor mileage data is available from a geography, the data is <b>estimated</b> 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><b>Emission factors</b> 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</p>	tonnes CO <sub>2</sub> e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		<p>excludes radiative forcing (RF) however for transparency we are also reporting our 'with RF' air emissions.</p> <p>There are no <b>exclusions</b> for this metric</p>	
<b>Rail</b>	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 <b>estimated</b> 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><b>Emission factors</b> 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 <b>exclusions</b> for this metric</p>	tonnes CO <sub>2</sub> e
<b>Taxi</b>	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 <b>estimated</b> 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><b>Emission factors</b> 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 supplier is known 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.</p> <p>There are no <b>exclusions</b> for this metric</p>	tonnes CO <sub>2</sub> e
<b>Car rentals / hired vehicle</b>	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 <b>estimated</b> using two methods:</p>	tonnes CO <sub>2</sub> e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		<ul style="list-style-type: none"> <li>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</li> <li>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</li> </ul> <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><b>Emission factors</b> are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK).</p> <p>There are no <b>exclusions</b> for this metric</p>	
<b>Reimbursed vehicle distance</b>	Carbon emissions associated with employee reimbursed vehicle distances travelled	<p>Reimbursed vehicle data is collated through local expense systems. Employees will submit an expense claim that will contain details of the mileage travelled as reimbursement will be provided as a fixed cost per mile as per the cited vehicle type.</p> <p>Where mileage data is not available from a geography the data is <b>estimated</b> using one of the following methods:</p> <ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>In some geographies, partial reporting is obtained as upon leaving the firm, employees are made "inactive" and as such their mileage is excluded from the standard annual reporting process. The % missing data is estimated by comparing a period of the FY20 baseline data (report run in June 2020) with the same period (report run in June 2021) as the later</li> </ul>	tonnes CO <sub>2</sub> e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		<p>report will be identical bar the “inactive” employees. This partial data is then uplifted using this</p> <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><b>Emission factors</b> are applied to the data and updated annually to reflect the latest guidance and factors published by BEIS (UK).</p> <p>There are no <b>exclusions</b> for this metric</p>	
<b>Hotel stays</b>	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 FY20 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, 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 <b>estimated</b> 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><b>Emission factors</b> for hotel use are collated by our DTTL global entity using the Cornell University Hotel Benchmarking tool.</p> <p>There are no <b>exclusions</b> for this metric</p>	tonnes CO <sub>2</sub> e
<b>Upstream</b>			

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
<b>Purchased Goods &amp; Services</b>	Carbon emissions associated with our supply chain	<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&amp;S emissions. Where no data is available, average industry emissions factors obtained from CDP are used to estimate Deloitte's emissions. Further detail on each tier of the methodology and data sources can be found below.</p> <p><b>Scope 1 &amp; 2/ Tier 1 – CDP data</b>            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 &amp; 2 emissions and revenue to CDP and share their submission with Deloitte, such emissions (Scope 1 &amp; Scope 2 market) are divided by the supplier's revenue to arrive at the supplier-specific Scope 1 &amp; 2 emission factor.</p> <p>The market-based Scope 2 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 &amp; 2 emission factor is 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><b>Scope 1 and 2/ Tier 2 – CDP average emissions factors</b>            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 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) within the CDP Sector Averages report. This has an associated mean emissions factor. Spend for each supplier is then multiplied by the relevant emissions factor to estimate the Scope 1 &amp; 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 "Services" is applied as most of these spend items are for various services.</p> <p><b>Scope 3</b>            For scope 3 emissions, Deloitte deems supplier disclosures to not be sufficiently reliable and consistent, therefore uses CDP emission factors to calculate Scope 3 emissions for all suppliers. Our mapping exercise associated each Deloitte spend category with a corresponding sector, activity group, or activity (more granular level is preferred) 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>	tonnes CO <sub>2</sub> e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		<p><b>Extrapolated emissions</b> The above methodology can only be applied where actual spend by vendor is available.</p> <p>In order to calculate PG&amp;S emissions for the entire network, an average PG&amp;S amount per FTE is calculated for EMEA, Americas, and Asia Pacific regions based on the countries where spend data is available. Average PG&amp;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>Note, even though the CDP data and CDP average emissions factors were associated with FY21, they were applied to PG&amp;S calculations for FY19-21 as they were the most representative emission factors we could obtain. Going forwards, we will obtain the CDP data each year and apply their most recent supplier and average emission factors to that year's spend data.</p> <p>Some suppliers have been <b>excluded</b> from the spend data where they have been counted in other Scope 3 emissions categories:</p> <ul style="list-style-type: none"> <li>• Travel spending</li> <li>• Utility bills</li> </ul> <p>Similarly, some spend amounts are <b>excluded</b> from the data as they do not represent spending on goods or services:</p> <ul style="list-style-type: none"> <li>• Charitable contributions</li> <li>• Tax payments</li> <li>• Fines and legal settlements</li> <li>• All spend associated with category NON-SOURCEABLE (e.g. other taxes, clearing etc.)</li> <li>• Interfirm transactions</li> </ul>	

#### 4.4 Other Environmental Metrics

Reported metric	Definition and scope	Methodology and any applicable estimations	Metric value
<b>Water Use</b>	Water usage in our offices	Water consumption data is obtained in the following priority:	m <sup>3</sup>

Reported metric	Definition and scope	Methodology and any applicable estimations	Metric value
		<ol style="list-style-type: none"> <li>Automatic Meter Readers (AMR) which take readings of consumption data on a repeated, periodic basis</li> <li>Manual meter readings taken by local building management teams</li> <li>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.</li> </ol> <p>Where actual data is not available, the following method of <b>estimation</b> is followed:</p> <ol style="list-style-type: none"> <li>For all offices that have reported water data and this data has been validated, an office benchmark (m<sup>3</sup>/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</li> </ol> <p>There are no <b>exclusions</b> for this metric</p>	
<b>Waste Produced</b>	<p>Waste produced in our offices, split by method of disposal:</p> <ul style="list-style-type: none"> <li>Mixed Recycling</li> <li>Paper Recycling</li> <li>Food</li> <li>Residual Waste to Energy, and</li> <li>Residual Waste to Landfill</li> </ul>	<p>Waste production data is obtained in the following priority:</p> <ol style="list-style-type: none"> <li>On-site weighing of our waste containers</li> <li>Aggregated supplier data that needs to be apportioned to our demise</li> <li>Counting the # of bags of specific waste types being collected, and applying an average weight for each type of waste</li> </ol> <p>Where actual data is not available, the following method of <b>estimation</b> is followed:</p> <ol style="list-style-type: none"> <li>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</li> <li>The exception here is with food waste. Here it is assumed the above method should only apply to offices &gt;5,000m<sup>2</sup> as these are the ones most likely to have dedicated catering (and so food waste) contracts in place</li> </ol> <p>There are no <b>exclusions</b> 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
<b>FTE</b>	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"> <li>• All full-time employees; and</li> <li>• All employees on paternity or maternity leave</li> </ul> <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 a year-end snapshot, rather than pro-rated throughout the year.</p>	absolute
<b>Floor area</b>	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"> <li>• All sites where Deloitte has sole occupancy; and</li> <li>• The floor area of the occupied space on all sites where Deloitte is not the sole tenant</li> </ul> <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 <sup>2</sup>

#### 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)	-
<b>Scope 2</b>	
Electricity (market-based)	-
District heating and cooling	-
Vehicle fleet (Electric)	-
<b>Scope 3</b>	
<b>Upstream scope 3 emissions</b>	
Purchased goods and services	-
Capital goods	Reported in the PG&S calculation
Fuel- and energy- related activities	Excluded for not being material (calculated ~0.5% of emissions)
Upstream transport and distribution	Reported in the PG&S calculation
Waste generated in operations	Excluded for not being material (calculated <0.1% of emissions)
Business travel (excl. radiative forcing)	Reported
Employee commuting	Excluded for not being material (calculated ~0.4% of emissions)
Upstream leased assets	Reported in the PG&S calculation
<b>Downstream scope 3 emissions</b>	
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 a number of 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	87%
Vehicle fleet (ICE)	High	100%

<b>Scope 2</b>		
Electricity (market-based)	High	100%
District heating and cooling	High	97%
Vehicle fleet (Electric)	High	100%
<b>Scope 3</b>		
Purchased goods and services	Low	2%
Business travel (excl. radiative forcing)	High	87%

## 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 CO<sub>2</sub>e. Emissions factors that aggregate both CO<sub>2</sub> gas, and non-CO<sub>2</sub> 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 CO<sub>2</sub> equivalent (CO<sub>2</sub>e) total. The GWP factors used are CO<sub>2</sub> = 1; CH<sub>4</sub> = 25; N<sub>2</sub>O = 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.