

Carbon Emissions

Footnotes for Deloitte Denmark FY24

1. Where possible, Deloitte firms procure and claim renewable energy in accordance with the Climate Group's RE100 Technical Criteria and Global Reporting Initiative (GRI) topic standard GRI 302: Energy 2016. In certain markets where procuring renewable electricity is challenging or is not possible, Deloitte firms may procure renewable electricity from a neighbouring country. This allows Deloitte to demonstrate commitment to our renewable electricity target and signal market demand. As this approach meets only one out of three market boundary conditions included in the RE100 Technical Criteria, there may be variances between renewable electricity amounts reported here and within Deloitte's RE100 reports. Deloitte anticipates increasing the alignment with RE100 Technical Criteria over time as market availability of renewable energy increases.
2. In accordance with the Global Reporting Initiative (GRI) disclosure 305-2, Deloitte publishes purchased electricity emissions using both a location- and market-based methodology. The location-based method involves using an average national, regional or subnational emission factor that relates to the local grid from which electricity is drawn, whereas the market-based method involves deriving emissions factors from contractual instruments, allowing for a zero-emission factor to be applied to portions of electricity consumption that is matched to a renewable energy source, resulting in lower emissions compared to the location-based method. Deloitte's near-term science-based targets use a market-based methodology for purchased electricity, hence this figure (Scope 2: Electricity Generation, Market-based) is shown in the primary emissions inventory whereas the location-based figure is shown in a separate schedule for comparative purposes. Within NSE, renewable energy is sourced by most offices. Where renewable energy isn't provided at source, renewable energy certificates (RECs) are purchased to the value of consumption. This enables us to report market-based emissions as zero.
3. The PG&S methodology is based largely on procurement spend data for 6 countries, accounting for 74% of PG&S emissions. 6% of PG&S emissions are based on actual supplier data (Scopes 1 & 2) submitted to CDP. The remainder of PG&S emissions are extrapolated. We apply a number of assumptions to the spend data, including how we allocate spend into procurement categories, how we treat our suppliers' reported Scope 3 emissions, the CDP sector emission factors we apply to each spend category, and the extrapolation factors.
In FY24, Deloitte revised the methodology for calculating contingent labour emissions that were previously included in purchased goods and services (PG&S) emissions to increase the precision of these calculations. Additionally, Deloitte enhanced spend-based PG&S calculations methodology to more precisely identify and exclude supplier spend items that are deemed non-emission generating (e.g., taxes, intercompany transactions, etc.). Additional details on the methodology used to calculate PG&S emissions and further details on this restatement are provided in the Deloitte NSE FY24 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 will explain the nature of the change, the reasoning for its appropriateness, and the variance compared to the previous methodology.

4. Actual activity data on commuting was sourced from a survey in FY24; however, a proportion of the commuting and working from home calculation still rests on assumptions and extrapolation. We will refine these assumptions and improve the methodology moving forwards as guidelines develop.
5. In line with SBTi guidance, in FY24 Deloitte purchases Certified Emission Reductions (CER) equivalent to 50% of our total gross emissions; we are additionally providing direct investment and skills-based support to projects that will drive the net zero transition outside of our value chain. We are therefore no longer reporting 'net emissions' that solely factor in carbon credit purchases.
6. For consistency across NSE, the Full-Time Equivalents (FTE) data used to normalise our 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.
7. Our supply chain target is tracked at a global level as that is where our core Procurement function sits. All global Deloitte member firms contribute to progress against this target. An additional 4% of our suppliers globally have committed to set Science-Based Targets. NOTE: This metric has not been externally assured.