
Environmental Performance Data (inc. GHG Emissions) Basis of Reporting

Deloitte North & South Europe (NSE)

SEPTEMBER 3, 2024

DELOITTE NSE

1. Introduction

This document sets out the principles, methodologies and assumptions used by Deloitte North & South Europe (NSE) (and constituent geographies) in the preparation and reporting of their environmental performance (including greenhouse gas (GHG) emissions) data. This data is publicly reported to demonstrate progress against Deloitte's net zero and related environmental 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 environmental 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.
 - The Middle East cluster consists of offices across 15 countries. Those countries are Bahrain, Cyprus, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Palestine, Qatar, Saudi Arabia, Sudan, United Arab Emirates, Yemen.
- **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, commuting and working from home (but not working 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 2023 to 31 May 2024 ("FY24").

5. Metrics

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

- Scope 1- direct emissions from owned or controlled sources:
 - Fuel combustion
 - Owned/leased vehicle fleet (internal combustion engine)
- Scope 2- 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- indirect and value chain emissions:
 - Air travel (km) (both including and excluding radiative forcing)
 - Rail
 - Taxi
 - Car rentals
 - Reimbursed mileage
 - Hotel (nights)
 - Purchased Goods & Services
 - Employee Commuting & Homeworking

We also report on our purchase of Energy Attribute Certificates and Carbon Credits, which affect how our emissions are reported.

For ease of understanding in our external reports, we report emissions as CO₂e. This follows the guidance accompanying the UK Standardised Energy and Carbon Regulations and TCFD guidance. CO₂e includes all six greenhouse gases outlined in the GHG Protocol.

We also report these non-GHG environmental metrics:

- Energy used (kWh)
- Water usage (m³)
- 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/m²) is created by dividing their consumption in that year by the occupied floor area (m²) 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/m²). 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 (m²) of those offices. This figure is multiplied by the occupied floor area (m²) 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 ₂ e

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. The only exception to this rule is Finland, for which a Nordic benchmark is used to infer figures. This is because it represents more localised travel policy and travel patterns. 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 ₂ e

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. The only exception to this rule is Finland, for which a Nordic benchmark is used to infer figures. This is because it represents more localised travel policy and travel patterns. 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 ₂ e
Electricity	Location-based Carbon emissions associated with the electricity consumption reflecting the average emission intensity of local grid mix	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.	tonnes CO ₂ e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
	Market-based Carbon emissions associated with the electricity consumption reflecting the electricity sources geographies have chosen	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 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/m²) is created by dividing their consumption in that year by the occupied floor area (m²) 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/m²). 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 (m²) of those offices. This figure is multiplied by the occupied floor area (m²) of the offices that have been unable to report, to ensure there are no gaps in the data. 4. The only exception is offices in the Middle East. A Middle East specific benchmark is calculated for Electricity to reflect local consumption habits. Consumption data is converted into emissions and reported using two parallel methods. Only emissions from the market-based method are reported as part of total emissions : 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).	

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		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 has the \IEA residual mix factor applied, specific to the country. There are no exclusions for this metric.	
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/m²) is created by dividing their consumption in that year by the occupied floor area (m²) 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/m²) 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/m²) 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 (m²) of those offices. This figure is multiplied by the occupied floor area (m²) 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 ₂ e

7.3 Scope 3 emissions

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
Operational			

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
Air travel	Carbon emissions associated with employee air travel	Air travel is primarily booked 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 through the providers, but it is assumed that the majority of travel is expensed. To ensure completeness of coverage of air travel booked, where a geography can only access 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 factor calculated from the travel provider data, applied to the air travel expenses spend. Assumptions have been made in the types of expense used to calculate this uplift figure, meaning there is a margin for error, although this is well within our reporting materiality threshold. 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. This method continues to be used in FY24. • 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 ₂ e

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. Since FY23 this method has not been 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 ₂ e
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 ₂ e

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 ₂ e
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 the following method: 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	tonnes CO ₂ e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		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. This method continues to be utilised in FY24. • 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. Since FY23 this has not been 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. There are no exclusions for this metric	tonnes CO ₂ e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
Employee Commuting	Carbon emissions associated with the transportation of employees between their homes and their workplaces.	Employee commuting is calculated in three ways. 1) Use of survey data Six Geographies carried out surveys in FY24 to understand the commuting mode and distance of employee commutes. Information collected included commuting distance, mode and frequency of travel to the office. For these geographies, survey data was used to calculate a total commuting distance by mode. This was then extrapolated from the commuting sample into total commuting distance to total FTEs in that geo. For consistency with the other calculation methods below, and of reporting across NSE, commuting modes identified in surveys have been collated into car, rail, bus, and walking /cycling. The appropriate emission factors for average car, average rail and bus 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. 2) Using a model created by Deloitte, using some actual data, some industry benchmarks and some assumptions. Where there is no survey data the model used in previous financial years is applied. 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	tonnes CO ₂ e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		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 car, rail, bus, and walking /cycling, based on the survey data from the UK. The appropriate emission factors for average car, average rail and bus 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. 3) Using Method 2 above, but with geography-specific modal split Where geographies carried out a survey but were not able to provide an actual distance travelled by mode, we used the model mentioned above but applied the specific geography modal split instead of the UK modal split. In FY24 this methodology was only used for Ireland. Estimations – in FY22 where average commute distance data was not available, the average of distances provided by NSE Geos was used. In FY24 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 FY24 all Geos provided actual data. For working positions, in FY24 all Geos provided actual data.	
Homeworking	Carbon emissions associated with employees working remotely from their home.	Homeworking is calculated using a homeworking model created specifically for the purpose of environmental reporting, by Deloitte Belgium. The number of people working from home is the same data used for the model for commuting (Method 2 in the commuting section above). Working days and hours are based on a typical pattern for a Deloitte employee in NSE, considering weekends, public and paid holidays. 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 split into the following types: WFH equipment, Space Cooling and Space Heating (separated into electricity, gas and rest). A consumption factor for each is then applied to homeworking hours. All factors derive from publicly available industry energy consumption data.	tonnes CO ₂ e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		The model also contains European regional heating and cooling indices for each region, which alter the heating and cooling factors above based on regional climates. To simplify for the GHG calculation in FY19-FY22, these indices were summarised into cool, moderate and warm, and Geos grouped into them; an average heating and cooling factor was then applied to each of these 3 categories. From FY23 onwards, Geo specific heating and cooling indices have been used. The resulting indices are applied to the calculation in the WFH model. 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: - 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	tonnes CO ₂ e

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		- 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. 6% of NSE PG&S emissions are based on this data. 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. 43% of NSE PG&S emissions are based on spend data. 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. 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 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	

Reported metric	Definition and scope	Methodology and any applicable estimations	Units
		• Utility bills • Rent payments • Contingent Labour (Travel) In FY2023, more than 25% of Deloitte's purchased goods and services (PG&S) emissions were derived from the use of contingent labour, as calculated using the existing PG&S methodology which applied a spend-based emission factor to the contingent labour spend. Based on further analysis of this category, Deloitte determined the spend-based approach likely overestimated the attributable emissions and in FY2024 Deloitte transitioned toward obtaining direct data for the most significant sources of emissions for contingent labour. Based on FY2024 analysis, these sources were determined to be: • Business travel • Commuting and teleworking • Use of office space (historically included in scope 1 and 2 emissions reporting) • Use of technology (historically included in scope 3, Category 1 – PG&S emissions reporting) Based on the revised methodology, the FY2024 activity-based emissions from contingent labour have been included in their respective emission categories: scope 3, Category 6 – business travel and scope 3, Category 7 –commuting and teleworking, respectively. No additional adjustments have been made with respect to the use of office space or technology as these emissions are captured in emissions totals for scope 1 and 2 and scope 3, Category 1 – PG&S, respectively, consistent with historical reporting. This methodology change is possible due to improvements in data granularity, and therefore cannot be applied retrospectively. Further information on the year-over-year emissions decreases resulting from this change are included in the NSE Greenhouse Gas statement. 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 • Insurance	

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: 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 (m³/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.	m ³
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	tonnes

Reported metric	Definition and scope	Methodology and any applicable estimations	Metric value
		2. The exception is with food waste. Here it is assumed the above method should only apply to offices >5,000m² 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.	

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 following FTE figures are sourced from the Management Accounts team : - All full-time equivalent employees - All employees on paternity or maternity leave This figure is the average for the financial year and may differ slightly to FTE figures elsewhere in Deloitte's reporting (e.g. Financial Statements) due to different sourcing dates/ compilation methodologies .	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 WorldClimate Targets reported in the UK Annual Review

Reported metric	Definition and scope	Methodology and any applicable estimations	Metric value
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Percentage reduction in Scopes 1&2 emissions	The difference in absolute Scope 1&2 emissions between current FY and the baseline year FY19	Scope 1 and 2 emissions are consolidated by the NSE reporting team as described above. The difference between absolute Scope 1&2 emissions for the current reporting year and the baseline year (FY19) is divided by the baseline year emissions to give the percentage change between the two years.	%
Percentage reduction in Scope 3 business travel emissions per FTE	The difference in Scope 3 business travel emissions per FTE between current FY and the baseline year FY19.	Business travel emissions are calculated by the NSE reporting team as per the processes discussed above. Total business travel emissions for the UK are divided by UK FTE figures. The difference between per FTE business travel emissions for the current reporting year and the baseline year (FY19) is divided by per FTE business travel emissions from the baseline year to give the percentage change between the two.	%
Percentage of company vehicles that are Electric or Plug-in hybrids	The number of electric and plug in hybrid vehicles as a proportion of total fleet	Fleet inventory figures are submitted to the NSE team as part of the annual reporting process. The number of Electric vehicles (EVs) is added to the number of Plug-in Hybrid vehicles (PHEVs). This figure is divided by the total number of vehicles in the fleet, giving the percentage of company vehicles that are EV/PHEV.	%
Percentage of electricity that is sourced from renewable sources	The percentage of energy that Deloitte consumes which is covered by Green Tariffs or Energy Attribute Certificates (EACs).	From FY20 all electricity has either been purchased on REGO-backed green tariffs or covered by the purchase of Energy Attribute Certificates (EACs). Electricity consumption data is submitted by geographies with the proportion of consumption covered by Green Tariffs disclosed. EACs are purchased for consumption not covered by Green Tariffs. Evidence in the form of Renewable Energy Certificates (RECs) or Renewable Energy Guarantees of Origin (REGOs) is collated to validate these renewable energy claims.	%

		Consumption covered by Green Tariffs is added to consumption for which EACs are purchased. This is then divided by total electricity consumption, calculating the percentage of energy from renewable sources.	
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7.7 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.

7.8 Exclusions

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

Scope 1	Reason for exclusion
Fuel combustion	-
Owned/leased 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
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	Deloitte's business does not include processing of physical products.
Use of sold products	Deloitte's business does not include sale of physical products.
End-of-life treatment of sold products	Deloitte's business does not include end-of-life treatment of physical 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	79%
Vehicle fleet (ICE)	High	99%
Scope 2		
Electricity (market-based)	High	100%
District heating and cooling	High	93%
Vehicle fleet (Electric)	High	81%
Scope 3		
Purchased goods and services	Low	6%
Employee commuting and homeworking	Low	26%*
Business travel (excl. radiative forcing)	High	81%**
Other Metrics		
Waste	High	82%
Water	High	85%

* Some input data reclassified as estimated. Commuting surveys in FY24 have nonetheless increased accuracy of inputs

** Finance data used in uplifts reclassified as estimated data for FY24; only travel provider data classified as actual

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. Emission factors

Geographies report their annual activity 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 DESNZ (UK), IEA, and the EU; in certain cases we use other specific emissions factors. These are reviewed and benchmarked against other international GHG emissions sets each year in collaboration with Deloitte Global.

Factors are updated each year in line with guidance of the issuing bodies. Where the reporting period covered by the emissions factor set differs from Deloitte's reporting year, the set which covers the larger proportion of Deloitte's reporting year is used.

All factors used are noted in the relevant emissions sources in sections 7.1 - 7.3 above.

NSE GHG emissions are reported in tonnes CO₂e. These Emissions factors aggregate both CO₂ and the other greenhouse gases listed in the IPCC Fourth Assessment Report (AR4 - 100 year), to create a CO₂ equivalent (CO₂e) total. The GWP factors used are CO₂ = 1; CH₄ = 25; N₂O = 298

11. Validation procedures

Geographies are responsible for 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. We have established a variance threshold of 15% and where

variances exceed these, geographies are required to provide an explanation. 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 our assurance provider. They 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 final emissions 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.

13. Offset purchases

From FY23 we have taken a new approach to Beyond Value Chain Mitigation (BVCM). We are purchasing CERs ('carbon offsets') equivalent to our Scopes 1&2, business travel and homeworking/ commuting 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.