



2024 Deloitte NSE Climate-related Financial Disclosures

December 2024





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Leadership Message

The past year has been marked by complexity and uncertainty, with heightened geopolitical tensions, economic volatility and rapid technological advancements. All this alongside the continued, urgent need to address climate change. Business has a critical role to play in tackling the issues that matter to our society and the actions taken today in response to climate crisis will determine the impact we have on our planet for decades to come.

Climate change is one of the defining challenges of our generation. But there is reason for optimism with an increasing number of businesses seeing the opportunity to grow while reducing emissions. Working in collaboration with governments and other stakeholders, business can come together to progress the net zero transition at pace.

At Deloitte, we are playing a key role in supporting organisations to advance their climate-led transformations, as well as delivering against our own climate commitments. No organisation can solve these challenges alone and that is why we are focused on delivering systemic change, using our expertise, scale and network to bring together key stakeholders including clients, suppliers, NGOs and policy makers, to innovate, transition and build resilience.

Deloitte's FY24 Climate Related Financial Disclosures (CFD) report demonstrates our ongoing and evolving commitment to tackling the climate crisis. It shows our efforts to lead the transition to

a low-carbon economy and mitigate the human and financial impacts of climate change. In 2024, we enhanced our climate governance arrangements, refreshed our resilience strategies for our key climate risks and opportunities, and in September we accelerated our commitment with Deloitte's net-zero by 2040 goal, validated by the Science Based Targets Initiative.

There is always more to do to make meaningful and lasting progress on climate change. Looking ahead, a particular focus for Deloitte will be setting out clear actions on our net-zero 2040 journey and bringing our stakeholders along with us.

Our purpose is to make an impact that matters – this is at the heart of all the decisions we make, the work we do and how we look after our people. And it will continue to guide us as we transform our firm and our clients to transition to the low-carbon economy.



Richard Houston
Senior Partner & CEO



Sylvia Chai
NSE Chief Financial Officer



Smruti Naik-Jones
NSE Chief Sustainability Officer

About Deloitte NSE

Deloitte North & South Europe (Deloitte, Deloitte NSE or the firm¹) is the second largest member firm in the Deloitte network. Deloitte NSE combines operations in 30 countries in Europe and the Middle East, bringing together over 75,000 people, providing us with the scale and the means to increase our investment in the innovation our customers need.

From Reykjavik to Riyadh and Aarhus to Athens, our firm brings together an enormous breadth and depth of capability in Audit & Assurance (A&A), Tax & Legal (T&L), and our consultative businesses

Technology & Transformation (T&T) and Strategy, Risk & Transactions Advisory (SR&T - Advisory).

Central to our firm is our commitment to our global purpose: to make an impact that matters for our clients, our people and society.

As an organisation that advises and audits organisations across industries and sectors around the world, ours is a business built on trust.



Over 75,000

people working across North and South Europe



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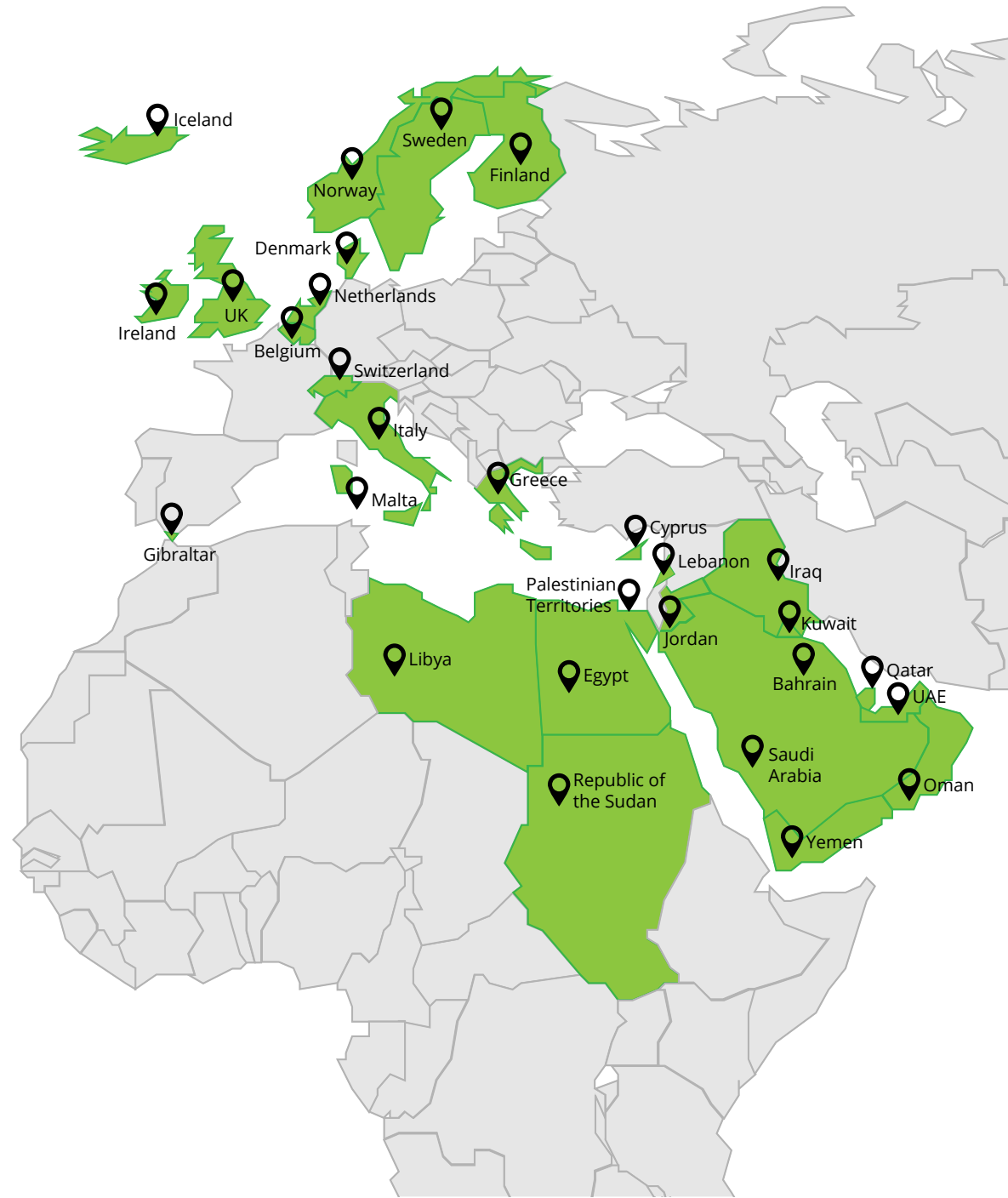
countries all part of one firm



3,600

partners

¹ The Deloitte NSE network includes Deloitte firms in Belgium, Central Mediterranean (consisting of Italy, Greece and Malta), Cyprus, Ireland, the Middle East, the Netherlands and the Nordics (consisting of Denmark, Finland, Iceland, Norway and Sweden), Switzerland and the UK. These firms will be referred to as a "National Practice" throughout this report.



Introduction

Deloitte NSE ('Deloitte' or 'the firm') recognises climate change as a systemic issue threatening lives, livelihoods and habitats that requires global collective action. Deloitte is committed to embedding sustainability in everything the firm does to achieve tangible impact on climate, nature and society, empowering people and engaging our networks to create solutions that enable the transition to a low-carbon economy. This commitment is founded on two complementary elements: the work Deloitte does to reduce its climate impact within its operations and value chain (the firm's *WorldClimate* strategy) and the services Deloitte provides to customers to support them with their own climate journeys. Together, these provide an opportunity to create a more sustainable world.

The *WorldClimate* strategy (see page 19) was established by Deloitte Global² in association with NSE and other member firms. It places sustainability at the core of the firm's operations and value chain strategy, while inspiring and empowering Deloitte's people to collaborate with customers and other external partners to lead the change. It also encompasses the firm's commitment to reporting transparently on climate and adhering to recognised frameworks.

WorldClimate sets out Deloitte's transformation to become a sustainable firm, with science-based net zero targets consistent with a 1.5°C pathway. In 2024, Deloitte committed worldwide to achieving a target to reach net-zero greenhouse gas (GHG) emissions by 2040; this target has been validated by the Science Based Targets initiative (SBTi). Details of Deloitte's net-zero targets are provided in the Strategy and Metrics & Targets sections of this report.

Deloitte's purpose is to make an impact that matters. One way it does this is by bringing together the best of its expertise and services, in seamless multi-disciplinary ways to serve customers and audited entities. It is widely recognised that tackling climate change will require large-scale transformation for many organisations and the firm is committed to using its breadth of skills



Deloitte committed worldwide to achieving a target to reach net-zero greenhouse gas (GHG) emissions by 2040; this target has been validated by the SBTi.



and experience to help customers along their climate journeys. In addition, Deloitte regularly collaborates with external organisations and public bodies on matters related to climate change and climate-related reporting to help support standards development.

As a large LLP, incorporated in the United Kingdom, Deloitte NSE is in scope of the UK Government's Climate-related Financial Disclosure (CFD) Regulations 2022³ for the financial year ended 31 May 2024. This 2024 report includes the eight disclosure areas required by CFD and on this basis, the climate-related financial disclosures made by Deloitte NSE comply with the requirements of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 as amended by the Limited Liability Partnerships (Climate-related Financial Disclosure) Regulations 2022³. Deloitte intends to continue aligning its disclosures with evolving requirements, developing metrics and targets used to monitor identified climate-related risks and opportunities, and improving methodologies to capture and report data more accurately.

The disclosures below set out how Deloitte NSE assesses and reports on climate-related risks and opportunities by embedding climate into governance, strategy, operations and risk management processes. They include the targets and associated metrics used for managing those risks and opportunities.

The firm recognises that climate-related reporting is fast-evolving so will continue to develop its disclosures in line with the recommendations of the Transition Plan Taskforce (TPT) and future adoption of the International Sustainability Standards Board's (ISSBs) sustainability disclosure standards and European Sustainability Reporting Standards (ESRS) requirements.

² Deloitte Global refers to Deloitte Touche Tohmatsu Limited (DTTL)'s global network of member firms, and their related entities (collectively, the Deloitte organisation). Deloitte Global establishes (in association with NSE and other member firms) guidelines and requirements for the network of independent Deloitte member firms globally, including the overall *WorldClimate* strategy.

³ [Mandatory climate-related financial disclosures by publicly quoted companies, large private companies and LLPs \(publishing.service.gov.uk\)](#)



Summary table

The table below sets out the eight CFD required disclosures and where the related information can be found in this report.

CFD requirement		Reference
Governance	A. Describe the LLP's governance arrangements in relation to assessing and managing climate-related risks and opportunities.	Pages 7-8
Risk management	B. Describe how the LLP identifies, assesses, and manages climate-related risks and opportunities. C. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the LLP's overall risk management process.	Page 9
Strategy	D. Describe the principal climate-related risks and opportunities arising in connection with the LLP's operations, and the time periods by reference to which those risks and opportunities are assessed. E. Describe the actual and potential impacts of the principal climate-related risks and opportunities on the LLP's business model and strategy. F. Provide an analysis of the resilience of the LLP's business model and strategy, taking into consideration different climate-related scenarios.	Pages 10-21
Targets and Key Performance Indicators (KPIs)	G. Describe the targets used by the LLP to manage climate-related risks and to realise climate-related opportunities and performance against those targets. H. Describe the key performance indicators (KPIs) used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and the calculations on which those key performance indicators are based.	Pages 22-26



Governance

A

Describe the LLP's governance arrangements in relation to assessing and managing climate-related risks and opportunities.

From the Board to management to people across the business, governance is a cornerstone of how Deloitte operates. The following describes the governance in place to oversee, assess and manage climate-related risks and opportunities.

As shown in the graphic to the right, the **Deloitte NSE Board** has ultimate oversight of the management of the firm and the level of risk acceptable in each area of the business. It is responsible for the promotion and protection of member interests generally. It supervises the NSE Executive in the delivery of the strategy and objectives of NSE, which includes all climate-related matters.

The Board delegates certain responsibilities to Deloitte NSE's **Audit and Risk Committee (ARC)**, a sub-committee of the Board. This includes oversight

of the material climate-related risks and opportunities facing the business, and Deloitte's public climate and sustainability reporting. The ARC reports to the full Board on climate-related matters at least annually.

The role of the ARC includes oversight of key business risks (via the Enterprise Risk Framework (ERF)), including climate risks, as well as NSE's climate strategy and reporting. Twice a year, management provides the ARC with updates on climate-related risks and opportunities, and performance against the climate strategy (and associated targets), via the **Climate Steering Committee (Climate SteerCo)**.

Deloitte NSE climate management & governance structure



The **NSE Executive, led by the NSE Chief Executive Officer**, is responsible for the day-to-day leadership and management of the business. Each member of the Executive takes responsibility for leading an area of Deloitte's operations and strategy, alongside client delivery and people development. The Executive is accountable to the Board for implementation of business strategy (including the *WorldClimate* strategy), and for achieving related targets. Certain members, in their roles as Executive Risk Owners, are also directly accountable for climate-related risks and opportunities, including reviewing, approving and owning responses to these. Management keep Executive Risk Owners informed on actions taken to address each climate-related risk and opportunity. At least twice a year, the Executive is informed about climate-related matters and evaluates and approves decisions made by the Climate SteerCo.

The management and delivery of climate-related matters across NSE, including the approach, strategy and risk management, is the responsibility of the Deloitte NSE Climate Steering Committee (**Climate SteerCo**). This committee comprises the NSE Chief Sustainability Officer (CSO), NSE Chief Financial Officer, NSE Managing Partner of Operations, NSE Chief Risk Officer (CRO), NSE People & Purpose Lead, and NSE Growth and Business representatives. Its primary responsibilities are to advise on the strategic direction of the firm's climate-related ambitions (*WorldClimate*), identify, assess and monitor all material climate-related risks and opportunities, track progress against climate targets, and review and approve all climate-related reporting and disclosures, including this report. The committee meets up to six times a year to discuss climate-related matters and is informed by NSE management functions including Quality, Risk & Security (QRS), Businesses, Growth, Operations and People & Purpose. These functions manage climate-related risks and opportunities specific to their areas, as described below. The Climate SteerCo monitors and evaluates the activities and progress of each of those functions in relation to the management of climate-related risks and opportunities.

The NSE Managing Partner for Operations is accountable for delivering the *WorldClimate* strategy, while the NSE CSO is responsible for its day-to-day execution. This includes managing climate-related risks and opportunities within Deloitte's internal operations. Parts of the firm's enabling functions, including

WorldClimate and local Deloitte Business Security teams, manage day-to-day operational risks and opportunities, reporting directly to the Climate SteerCo in relation to relevant climate-related matters.

Progress is reported to the Climate SteerCo via regular meetings throughout the year. This incorporates progress against climate strategy, including Deloitte's near-term 2030 emissions reduction goals. In addition, working sessions are held with the Chief Operating Officers across NSE and the NSE Executive that focus on short, medium, and long-term climate-related priorities and actions. The firm's leaders are upskilled on climate-related matters through Deloitte's global climate learning programme, tailored sessions delivered through NSE leadership development programmes and Deloitte University Europe, and climate and sustainability workshops held by each National Practice.

Alongside Deloitte's response to addressing climate change within its own operations and value chain, NSE's National Practice sustainability and climate teams support customers with their own climate journeys. Associated climate-related risks and opportunities are managed by the Business and Growth leads across NSE who are responsible for implementing climate-related services strategy.

Deloitte NSE operates across multiple geographies through its National Practices. It is working towards aligned climate governance across these National Practices and a measure of consistency in climate-related business planning and budgeting. All National Practices are involved in the scrutiny of climate-related risks and opportunities through their Chief Operating Officers being members of and participating in the NSE Operations and Transformation Committee. In FY2024 NSE engaged more closely with National Practices on climate governance, providing guidance on implementing models similar to those described above locally. This has enabled several National Practices to improve their respective climate governance and align with NSE, with National Practice leadership committees supplementing the NSE Climate SteerCo. Deloitte will continue to evolve and cascade this approach to National Practices in future reporting cycles (see the Strategy section below).



Risk management

B

Describe how the LLP identifies, assesses and manages climate-related risks and opportunities

C

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the LLP's overall risk management process.

Deloitte has a robust process for identifying, assessing, managing and monitoring all risks through the Enterprise Risk Framework (ERF) at both the NSE and local National Practice levels. The ERF sets out the NSE Executive's assessment of principal and emerging risks facing the firm, specifically those that could impact Deloitte's ability to achieve its strategic priorities, meet its public interest obligations and protect its reputation and people.

Climate change and sustainability matters, alongside other business risks and opportunities, are considered and embedded within the ERF. Residual risk exposure describes the likelihood of a risk crystallising, and its impact on Deloitte given the current ability to mitigate or manage it, and is categorised as very high, high or medium. Risks and opportunities are considered against four impact dimensions: strategy and market differentiation, brand and reputation, operational and financial resilience, and people and purpose.

Material climate-related risks and opportunities in this report (as described in the Strategy section below) have been identified at an NSE-level and include consideration of both physical and transition risks. These include consideration of existing and emerging regulatory requirements, such as policies that are being introduced to deliver against jurisdictional commitments, as well as changes to client needs and threats to reputation. The risks and opportunities are assessed in line with Deloitte's risk methodology and governance processes and are informed by qualitative scenario analysis (see the Strategy section below for materiality considerations in determining climate-related risks and opportunities). As such, climate change is integrated into decision-making through consideration alongside other business risks within the ERF.

The Enterprise Risk and Monitoring (ERM) Team facilitates the ERF and, as with other enterprise risks, climate-related risks are assigned an Executive Risk Owner who oversees work carried out by management teams within the organisation to manage those risks. Executive Risk Owners are responsible for monitoring the effectiveness of the risk management and mitigation plan. Residual exposure is discussed and assessed during regular meetings between the ERM team and each



Executive Risk Owner. These meetings also focus on the internal and external drivers of the risks, the management approach for each, the effectiveness of mitigations and the status of any actions deemed necessary to further enhance these mitigations. Outcomes are reviewed by both the ERM team and Executive Risk Owners, then updates are included within the ERF.

The ERM team uses a risk dashboard to enable ongoing assessment of climate-related risks and other business risks. It is used to inform, refresh and validate the status of each risk with the respective Executive Risk Owners and the NSE CRO twice a year on a mandatory basis. At these reviews, the Executive Risk Owners and the NSE CRO assess whether current risk management activities are sufficient. If additional action is required for climate-related risks, these are prioritised and given 'special focus' (requires more detailed management monitoring) or 'action required' (immediate additional mitigating actions are required) status, and more detailed management and monitoring will be carried out as a result. Management teams are accountable for implementing risk management and mitigation plans. The NSE WorldClimate team (which manages the firm's own sustainability transformation, including its climate response) holds regular discussions with the Executive Risk Owners and the NSE CRO to gain insight and consult on progress relating to climate-related risks.

Executive Risk Owners' residual risk assessment for each climate-related risk and opportunity is presented to the NSE Executive for approval and the NSE ARC for review and oversight, with plans to manage and monitor the risks communicated to the NSE ARC twice a year.

As outlined above, the process for identifying, assessing and managing climate-related risks and opportunities is fully integrated into Deloitte NSE's overall risk management process. The Climate SteerCo is accountable for overall progress against identified climate-related risks and opportunities; seeing that these are effectively managed, outcomes are evaluated and a holistic view of climate-related impacts on Deloitte is provided to the NSE Executive.

Strategy

- D** Describe the principal climate-related risks and opportunities arising in connection with the LLP's operations, and the time periods by reference to which those risks and opportunities are assessed.
- E** Describe the actual and potential impacts of the principal climate-related risks and opportunities on the LLP's business model and strategy.
- F** Provide an analysis of the resilience of the LLP's business model and strategy, taking into consideration different climate-related scenarios.

The following pages outline Deloitte's strategic response to the material climate-related risks and opportunities impacting the business. It incorporates three separate climate scenarios and time horizons.

Time horizons

Deloitte has defined the short, medium, and long-term time horizons used to consider and monitor climate-related risks and opportunities as follows:

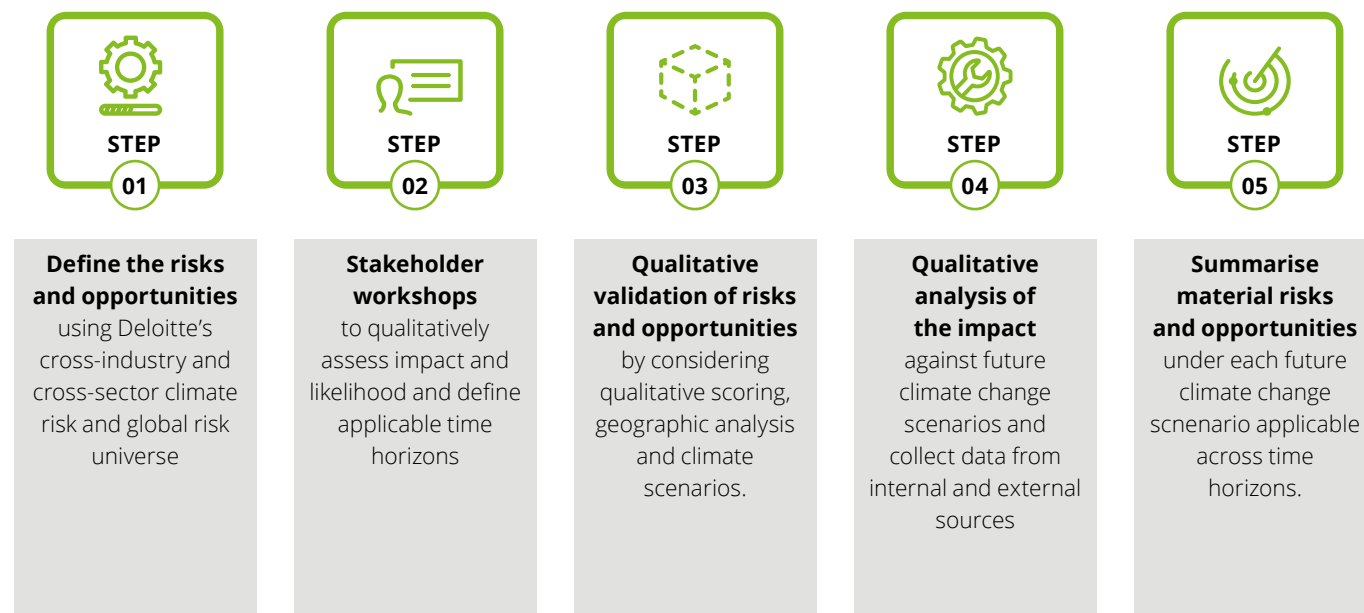


Table 1 – Scenarios per NGFS definitions June 2023

	Current Policies (3°C)	Orderly Net Zero	Divergent Net Zero
Definition	Currently implemented policies regarding climate and energy are maintained, with no additional new climate-related regulation. The world relies on fossil fuels as the engine of economic growth, resulting in significant global warming that drives changes in the frequency and/or severity of extreme weather events, causing extensive business disruption. Emissions grow until 2080 leading to about 3°C of warming by the end of the 21st century with severe physical risks.	A high level of decarbonisation is achieved through robust climate policies and innovation in a steady, orderly fashion. It also assumes an immediate introduction of ambitious climate policies. Carbon removal technologies are used to accelerate global decarbonisation efforts but are kept to a minimum. Global emissions reach net zero by 2050, which limits warming to 1.5°C by the end of the 21st century. Physical risks are relatively low, but transition risks are moderate to high.	Global emissions reach net zero by 2050, which similarly limits warming to 1.5°C by the end of the 21st century. However, this scenario is associated with higher transition costs due to varying policies introduced across sectors and governments, as well as a quicker, but later, phasing out of fossil fuels. Compared to the Orderly Net-Zero scenario, the Divergent Net-Zero scenario assumes climate policies are more stringent in the transportation and building sectors.
Political	<ul style="list-style-type: none"> Global climate diplomacy fails. Nations give up climate targets to focus on economic growth. 	<ul style="list-style-type: none"> Global climate diplomacy is a success. Nations cooperate to create ambitious climate policy. 	<ul style="list-style-type: none"> Global climate diplomacy fails. Nations issue their own climate policies at varying levels of ambition and lack coordination.
Economic	<ul style="list-style-type: none"> Consumption-led economic growth is achieved through the 2020s. By the 2040s, physical climate impacts start dragging on economic growth. 	<ul style="list-style-type: none"> A global carbon price is established early. The financial system includes climate risk as a core consideration. 	<ul style="list-style-type: none"> A global carbon price is put in place late. Carbon prices for the transportation and building sectors are three times the carbon price in services and industry sectors.
Social	<ul style="list-style-type: none"> Quality of life improves during the 2020s. Later, climate-related migration and inequality harm social cohesion. 	<ul style="list-style-type: none"> Environmental awareness grows. Society looks for a just transition and expanded corporate responsibility. 	<ul style="list-style-type: none"> Environmental awareness grows. Societal expectations for a just transition, and expanded corporate responsibility, vary geographically due to varied policy responses and ambition.
Technology	<ul style="list-style-type: none"> Trust is placed in technology to help society adapt to climate change. As physical impacts worsen, governments invest in adaptation measures. 	<ul style="list-style-type: none"> Low-carbon technology focuses on ultra-efficiency in processes. High research and development spend leads to technological breakthroughs in the 2030s. 	<ul style="list-style-type: none"> Low-carbon technology focuses on ultra-efficiency in processes but lower use of carbon dioxide removal technology than the Orderly Net-Zero scenario. High research and development spend leads to technological breakthroughs in the 2030s.
Environment	<ul style="list-style-type: none"> Strong increases in the frequency and/or severity of extreme weather events, causing major disruptions or damages. Health impacts and humanitarian crises occur in all countries. 	<ul style="list-style-type: none"> The worst physical impacts are avoided, but the climate continues to warm, resulting in disruptions and damage. Nature-based solutions are pursued or adopted. 	<ul style="list-style-type: none"> The worst physical impacts are avoided, but the climate continues to warm, resulting in disruptions and damage. Nature-based solutions are pursued, but to varying degrees across jurisdictions.
Legal	<ul style="list-style-type: none"> Climate-related laws and litigation have little impact in the 2020s. Cases against corporations shift the regulatory environment in the 2030s. 	<ul style="list-style-type: none"> Swathes of stiff climate-related environmental regulation are introduced in the 2020s. 	<ul style="list-style-type: none"> Climate-related laws and litigation have little impact in the early 2020s. More extensive litigation occurs in the 2030s, but it varies across jurisdictions. Swathes of stiff climate-related environmental regulation are introduced in the late 2020s and early 2030s.

Process for identifying climate-related risks and opportunities

Deloitte applied a qualitative five-step methodology for determining climate-related risks and opportunities impacting the firm:



The climate-related risks and opportunities assessment used the same likelihood and impact risk criteria as the firm's ERF, which is described in the Risk management section above.

Identified climate-related risks and opportunities were assessed by members of the Climate SteerCo (as well as other key stakeholders across NSE's operations) by scoring the likelihood and impact for each risk and opportunity. Together with qualitative analysis based on market data, an average combined score was then calculated for each risk and opportunity to understand the significance to Deloitte. Following consideration and approval by the Climate SteerCo, the climate-related risks and opportunities that were determined to have a potential impact on the business have been disclosed below.

Two types of climate-related risks and opportunities have been determined as having a potential impact: physical (acute and chronic) and transition (market, reputation, policy and legal). Further analysis has been performed for these, including impact assessments and scenario modelling (against the three scenarios identified on p10) and corresponding strategic responses. The results are presented in the table below.



Summary of material climate-related risks and opportunities

Climate-related risks and opportunities are considered in Deloitte’s strategic, operational and financial planning process and this ensures decisions not only align to the firm’s purpose but contribute to the economy-wide low-carbon transition. Deloitte has processes in place to help it carefully consider the services it provides and to whom, and continues to evolve its approach to better recognise the potential impact of those services on society and the planet. Its aim is to protect and enhance its reputation as a responsible business and increase its standing among stakeholders. Deloitte also invests in the efficiency and resilience of its own operations and engages with suppliers and with society partners to address climate risks and opportunities in its value chain and beyond.

The table below shows the list of climate-related risks and opportunities identified as having a potentially material impact on Deloitte NSE. As a professional services organisation, the firm considers the impact of climate-related risks and opportunities to be consistent across its primary service offerings so has not performed sector-specific analysis. Due to the global nature of Deloitte’s operations, geographic impact has not been considered for the transition risks and opportunities below, as the firm expects these to be largely consistent across all NSE National Practices.



Risk: Physical - Acute and Chronic

Description and potential impact to Deloitte NSE	Potential impact under climate scenarios and time horizons	Strategic response and resilience
Climate-related physical risks could impact Deloitte's infrastructure and employees and could result in reduced revenue caused by business disruption and productivity loss. These impacts could be driven by acute (e.g., increased severity of storms, floods and wildfires) or chronic (e.g., rising mean temperatures) physical risks.	<p>In all scenarios, physical risks to Deloitte will increase from the short to medium-term. Physical risks are expected to be identical in the short-term due to 'committed warming' (emissions already released). In the medium term, under the Net Zero scenarios, physical risk impact should plateau. Under a 3°C scenario the frequency and severity of extreme weather events will continue to increase over the medium and long-term. The risk to NSE infrastructure and employees and corresponding revenues over the long-term aligns accordingly.</p> <p>Geographic impact:</p> <p>Deloitte NSE has numerous data and delivery centres across its geographies. The distribution of these will mean that the risk of business interruptions is somewhat diversified, but also that employees' productivity may be affected by physical climate events outside their region.</p> <p>The physical risk impact on employees will vary by National Practice and type of event.</p>	<p>The firm's World<i>Climate</i> strategy and business continuity planning together incorporate Deloitte's response to physical climate risks, mitigating the impact on productivity and corresponding revenues. Business continuity looks at resilience to acute risks with longer term chronic risks (e.g. real estate site selection) starting to be considered by real estate and physical security teams. The firm is certified against the Business Continuity Management standard ISO22301 and Business Continuity Plans are in place to maintain continuity of Deloitte's services should extreme events occur.</p> <p>Real estate - through Deloitte's 'Resilience Design Priorities' (within its 'Better Buildings' sustainable real estate framework), the firm is embedding considerations for current and future climate risks into real estate and operations decisions. This includes for example, the implication of future weather conditions on occupant comfort and cooling demand. Future real estate projects will be required to follow the design priorities to build in resilience against physical climate risks. Physical security teams complete security plans and threat & risk assessments for all offices, which identify and manage relevant climate related risks.</p> <p>Flexible and hybrid working - we practice a flexible approach in working location and pattern. This will help mitigate productivity loss resulting from future acute physical risk events given many Deloitte employees can carry out a significant proportion of their work remotely at a time that is convenient to them.</p> <p>Delivery centres – Deloitte has integrated physical resilience considerations into the selection of its delivery centres, to protect the availability of key human capital resources. A key element of this is geographical dispersion of our delivery centres, which reduces the risk of physical climate impacts.</p> <p>Data centres – work continues to assess the physical risks to data centres, particularly considering the impacts on system-wide regional infrastructure. In addition, the firm continues to migrate key systems into the cloud to increase security and resilience.</p> <p>Supply chain – Deloitte operates a global supply chain that enables procurement needs to be met in the most efficient way. This diversified supply chain provides a level of resilience to physical climate impacts. Deloitte's key resources in delivering its services are data/information and human capital; resilience measures intended to maintain access to these are covered above.</p>

Risk: Transition – Market

Description and potential impact to Deloitte NSE	Potential impact under climate scenarios and time horizons	Strategic response and resilience
<p>The firm recognises that it will be impacted in some way by the policy, market and technological changes brought by a transition towards a low-carbon economy. The precise nature and scale of the impact for certain sectors and companies is currently unclear. However, due to the size of Deloitte's client base, it is inevitable that some customers will be negatively impacted, which could have a knock-on effect on Deloitte's ability to provide services to those customers and, therefore, generate revenues.</p>	<p>Exposure to climate change is of a different nature under each scenario and will inevitably impact the services Deloitte provides. Under a 3°C scenario companies will face ever increasing impacts from physical risks in the medium to long term but less so from transition risks. In the Divergent Net Zero scenario companies are less likely to be impacted in the short term as neither physical nor transition risks are prevalent but may experience growing transition risks in the medium term, and acceleration of these in the long term. Meanwhile, under the Orderly Net Zero scenario, companies are expected to face transition risks concentrated in the short and medium term but less so in the longer term as they adapt.</p> <p>Using the energy sector as an example, and the demand for fossil fuels in particular, the Net Zero transition scenarios will likely see a faster decline in fossil fuel use as a total percentage of energy use, compared with the 3°C scenario, but on differing timelines.</p> <p>A Divergent Net Zero transition may see a steep decline in fossil fuel dependency in the longer term, while the Net Zero scenario will likely experience a more gradual decline due to a higher use of carbon removal technologies. The 3°C scenario may see a relatively high and growing share of fossil fuels as a percentage of total energy use across all time horizons.</p>	<p>Deloitte has a breadth of experience and understanding of the markets in which it operates, and trends in key industries, sectors and customers. Through thought leadership such as Deloitte Insights, Deloitte's CXO Survey, Global Consumer Survey, Future of Energy, State of the State and Fast 50 reports, Deloitte not only informs the market, but its own business strategy as well.</p> <p>Deloitte's strategy drives its ability to work across multiple sectors and geographies, and with numerous organisations from listed to entrepreneurs, results in a diversified business and acts as a mitigation against the risk.</p> <p>As a result of this diversified portfolio, along with the long-term trust and relationships that we build with our customers, the firm is well equipped to identify, adapt and pivot its client portfolio in line with a low-carbon economy.</p> <p>NSE Growth and Business teams together with National Practices continue to monitor the wider market, industry shifts and portfolio of customers to ensure our business approach remains relevant and resilient.</p>

Opportunity: Transition – Market

Increased revenue and growth by offering new climate -related services, and expanding existing ones, to support customers in their response to climate change and contribute to the economy-wide, low-carbon transition.

Description and potential impact to Deloitte NSE	Potential impact under climate scenarios and time horizons	Strategic response and resilience
<p>Deloitte benefits from being a global business with a breadth of skills, resources and experience developed through its long-standing relationships with companies across multiple industries.</p> <p>The firm has an opportunity to grow its climate service offerings and corresponding revenues while contributing to economy-wide, low-carbon transitions across its geographies, as well as creating an impact that matters for customers).</p>	<p>All three scenarios are anticipated to provide opportunities to increase revenues from climate and sustainability services, but these may vary in nature and timing of service demanded.</p> <p>Net Zero transition scenarios are expected to result in a higher demand from customers in most, if not all, industries for transition services as new climate policies are introduced. The Orderly Net Zero is more likely to impact in the short term, whilst Divergent Net Zero is in the medium to long term.</p> <p>Under the 3°C scenario, increased demand for adaptation and mitigation services due to physical risk exposure is more likely to arise in the medium to long term due to the slower introduction of regulations.</p>	<p>Deloitte's business strategy continues to enable Deloitte to address this opportunity and respond to client demand.</p> <p>Deloitte has invested US \$1bn globally in the firm's Climate and Sustainability practice, including client-related services and data-driven research, and has continued to build on this investment in FY2024.</p> <p>In FY2024 Deloitte created new and expanded offerings in areas such as the Corporate Sustainability Reporting Directive (CSRD), Energy Transition, Future of Food, Sustainability of Artificial Intelligence (AI) and AI for Sustainability. The firm has enhanced its sustainable data and technology capabilities (e.g., GreenSpace Tech⁴ and GreenLight⁵) as well as insight and advice services (e.g. EMEA Sustainability Hub, NSE Sustainability Tech Hub). Additionally, Deloitte is making a positive impact on key systemic issues through partnerships on the Global Circularity Protocol with Circular Economy, with One Planet Network and with WBCSD.</p> <p>Deloitte will continue to innovate and expand these offerings to meet client demand and societal expectations to achieve a low-carbon economy.</p>

⁴ [GreenSpace Tech by Deloitte | Deloitte Global](#)

⁵ [Deloitte Greenlight Solution](#)



Risk and Opportunity: Transition - Reputation

Risk: Reduced potential to attract and retain talent across the business because of a perceived inadequate response to climate change.

Opportunity: Increased ability to attract and retain talent by implementing and demonstrating a robust climate response.

Description and potential impact to Deloitte NSE

People are at the heart of Deloitte's operations and service offerings. In the Deloitte Global 2024 Gen Z and Millennial Survey⁶, professionals reported strong views on the importance of employers acting on climate change, with over half of Gen Zs (59%) and millennials (55%) saying they will research a brand's environmental impact and policies before accepting a job. Approximately half of Deloitte's employees are aged below 30⁷ (Gen Z or millennial), indicating that its response to climate change may impact perceptions of the firm's current and future workforce, driving attrition and retention trends.

As a professional services business, any change in attrition or retention of talent is expected to have a corresponding impact on future operating costs and revenues, as well as on the firm's ability to provide services to its customers.

Potential impact under climate scenarios and time horizons

Under all three scenarios, the awareness of climate issues and the need to embrace action will influence employment decisions and depending on the firm's performance and credentials, could result in a risk or opportunity. Within this, it is reasonable to expect that a more significant proportion of the population will make choices driven by an awareness of climate change and a desire to contribute to the transition through, for example, employment choices in the short, medium and long term.

Similarly, this risk and opportunity would only be expected to materialise in the medium to longer term under the Divergent Net Zero or 3°C scenarios. Under a 3°C scenario, employees (both current and future) will expect action and hence show greater interest in the firm's climate credentials in the long term, as the physical climate impact increases.

Strategic response and resilience

Deloitte is committed to a credible response to climate change, encapsulated in its *WorldClimate* strategy, with the headline ambition to achieve net zero by 2040.

Setting science-based net zero targets

In 2024, Deloitte committed worldwide to a target to reach net-zero greenhouse gas (GHG) emissions by 2040; this target has been validated by the Science Based Targets initiative (SBTi). In line with the requirements of the SBTi Net-Zero Standard, alongside this new 'long-term' (2040) target, Deloitte updated its pre-existing 'near-term' (2030) targets (see more detail in the Targets and KPIs section).

Deloitte obtains external limited assurance to ensure the reliability of environmental and greenhouse gas (GHG) emissions data (see the Targets and KPIs section below). This enables Deloitte to monitor progress more reliably against its targets and make sure it continues to act credibly in response to climate impacts across its operations and value chain.

Tackling our own climate impacts

Deloitte is making sustainability central to how it operates. This includes aligning climate practices and actions across member firms, making senior leadership responsible for delivering the *WorldClimate* strategy, and embedding climate-smart considerations into own operations. For example, through policies, tools and behavioural interventions supporting more sustainable travel, and the continued evolution of our 'Better Buildings' sustainable real estate guidance.

Empowering our people

The *WorldClimate* strategy recognises the key role Deloitte's people play in its climate response. By creating awareness of Deloitte's net-zero targets and progress, the firm aims to bring its climate initiatives to life for its people, empower and motivate them to actively support its strategy. For example, the Climate Champions network, which comprises 700+ individuals across NSE, and tools like Giki Zero, a personal carbon footprint calculator, educate people about their environmental footprint and enable them to make more sustainable choices. *WorldClimate* offers initiatives that equip Deloitte's leaders to drive the net-zero transformation through goal setting, training and workshops. From FY2024, all National Practices are being asked to embed climate-related goals into personal objectives. These efforts demonstrate Deloitte's commitment to attracting and retaining talent by showcasing a robust climate response.

Working with value chain and customers

In addition to our commitment to work with our supply chain to help them set science-based targets, the firm is also helping customers to reduce their own scope 3 footprint and support the economy-wide low-carbon transition. The firm showcases in its annual reports the work it does with customers and partners to accelerate the low-carbon transition

⁶ Deloitte 2024 Gen Z and Millennial Survey

⁷ Facts & Figures | Deloitte

Risk: Transition – Reputation

Damage to reputation and client relationships by failing to act credibly to manage the climate impacts of Deloitte's operations and value chain.

Description and potential impact to Deloitte NSE	Potential impact under climate scenarios and time horizons	Strategic response and resilience
<p>As a leading professional services organisation, Deloitte NSE is highly dependent on its brand and public perception. These contribute to the firm's ability to continue to act in the public interest, as well as build new, and strengthen existing, client and stakeholder relationships. If Deloitte is perceived to have inadequately addressed climate change within its own operations and value chain, there is a risk that the public will lose confidence in the services Deloitte provides, and customers may choose to limit, or not engage in, business with the firm. Any damage to reputation and client relationships is expected to affect the firm's revenues and business growth.</p> <p>Furthermore, an increasing number of Deloitte customers now set minimum standards for climate-related pledges / progress as a basic requirement before engaging any suppliers. For example, some customers may only work with suppliers who have set Net Zero targets. These requirements will likely become more stringent over time, and a failure by Deloitte to keep pace and demonstrate suitable credentials could again result in a loss of contracts and revenues.</p>	<p>Under the Net Zero scenarios this risk increases from the short-term onwards. This is as a result of increased policy requirements and increased client action or expectation. Deloitte will need to match or exceed this pace of change to avoid losing contracts and revenues.</p> <p>Under the 3°C scenario, the risk will only increase in the longer term as the expectations to transition in response to climate change will be lower.</p>	<p>Strategic response and resilience same as previous risk: Deloitte is committed to a credible response to climate change, encapsulated in its <i>WorldClimate</i> strategy, with the headline ambition to achieve net zero by 2040.</p> <p>Setting science-based net zero targets</p> <p>In 2024, Deloitte committed worldwide to a target to reach net-zero greenhouse gas (GHG) emissions by 2040; this target has been validated by the Science Based Targets initiative (SBTi). In line with the requirements of the SBTi Net-Zero Standard, alongside this new 'long-term' (2040) target, Deloitte updated its pre-existing 'near-term' (2030) targets (see more detail in the Targets and KPIs section).</p> <p>Deloitte obtains external limited assurance to ensure the reliability of environmental and greenhouse gas (GHG) emissions data (see the Targets and KPIs section below). This enables Deloitte to monitor progress more reliably against its targets and make sure it continues to act credibly in response to climate impacts across its operations and value chain.</p> <p>Tackling our own climate impacts</p> <p>Deloitte is making sustainability central to how it operates. This includes aligning climate practices and actions across member firms, making senior leadership responsible for delivering the <i>WorldClimate</i> strategy, and embedding climate-smart considerations into own operations. For example, through policies, tools and behavioural interventions supporting more sustainable travel, and the continued evolution of our 'Better Buildings' sustainable real estate guidance.</p> <p>Empowering our people</p> <p>The <i>WorldClimate</i> strategy recognises the key role Deloitte's people play in its climate response. By creating awareness of Deloitte's net-zero targets and progress, the firm aims to bring its climate initiatives to life for its people, empower and motivate them to actively support its strategy. For example, the Climate Champions network, which comprises 700+ individuals across NSE, and tools like Giki Zero, a personal carbon footprint calculator, educate people about their environmental footprint and enable them to make more sustainable choices. <i>WorldClimate</i> offers initiatives that equip Deloitte's leaders to drive the net-zero transformation through goal setting, training and workshops. From FY2024, all National Practices are being asked to embed climate-related goals into personal objectives. These efforts demonstrate Deloitte's commitment to attracting and retaining talent by showcasing a robust climate response.</p> <p>Working with value chain and customers</p> <p>In addition to our commitment to work with our supply chain to help them set science-based targets, the firm is also helping customers to reduce their own scope 3 footprint and support the economy-wide low-carbon transition. The firm showcases in its annual reports the work it does with customers and partners to accelerate the low-carbon transition</p>

Risk: Transition – Reputation

Reputational damage from providing services to (and therefore being associated with) customers perceived as having an inadequate response to climate change and inadequate climate credentials.

Description and potential impact to Deloitte NSE	Potential impact under climate scenarios and time horizons	Strategic response and resilience
<p>Deloitte's brand and reputation is driven in part by the customers it serves. As such, providing services to (or being associated with) companies or sectors that are perceived as having unfavourable climate credentials or that are not willing to respond to climate, have not articulated a credible transition plan or are not transparent about their actions to address climate change could damage Deloitte's reputation.</p> <p>As a global organisation, reputational damage from providing services to customers across any of Deloitte's business offerings or National Practices could impact growth and revenue associated with future client services.</p>	<p>Under both Net Zero scenarios, it is expected that there will be ambitious climate policies. Where climate expectations for businesses are high, the reputational impacts that might be associated with climate inaction are likely to be most significant in the medium to long term. Meanwhile, under the 3°C scenario, whilst societal expectations and demands for adequate climate action are also expected to increase over the medium to long term, the reputational impacts that might be associated with climate inaction are likely to be less due to the absence of global policy.</p>	<p>Deloitte's client and engagement due diligence process is used to determine the customers it works with and the work it undertakes. Through this process the firm assesses and monitors its resilience to potential reputational damage.</p> <p>Particularly challenging cases are escalated to National Practice or NSE Public Consistency Groups. Such groups consist of partners who meet regularly to review and challenge client opportunities with a public interest element. Discussions include the type of customers involved and the nature of the service. This includes consideration of the effect of the work we do on the collective response to climate change, thus helping to mitigate reputational damage to the firm.</p>



Risk: Transition – Policy & Legal

Description and potential impact to Deloitte NSE	Potential impact under climate scenarios and time horizons	Strategic response and resilience
<p>The desire of organisations to consider climate-related impacts and respond to related legislation has increased, and is likely to continue increasing, the demand for Deloitte's services. This could result in Deloitte facing a corresponding increase in the frequency and severity of climate-related litigation. and/or accusations of greenwashing if the firm fails to deliver on quality.</p> <p>Such an increase in the frequency and severity of climate-related litigation claims could impact future costs incurred by Deloitte and lead to reputational damage.</p>	<p>Climate-related litigation is expected to rise under all three scenarios, but the phasing of the increase will vary.</p> <p>This risk is expected to materialise fastest in the short term under the Orderly Net Zero scenario as stricter climate and greenwashing regulations would be introduced sooner. Climate-related litigation claims are still expected to increase for the Divergent Net Zero and 3°C scenarios, but over the medium and long terms in response to more delayed regulatory transition scenarios.</p>	<p>Quality of service provision is paramount to Deloitte and sits at the heart of its business strategy. Deloitte ensures a robust, proactive and effective approach to quality management throughout each of its services (e.g., Deloitte's Audit & Assurance practice in certain National Practices complies with the International Standard on Quality Management ("ISQM") 1).</p> <p>Deloitte continues to emphasise the importance to client-facing teams of delivering quality climate-related services, not only to meet client expectations, but also to support the firm's own climate journey (<i>WorldClimate</i>) and to drive the net-zero transition in the broader economy.</p>

Evaluation of business model and strategic resilience to climate related risks and opportunities

As detailed in the 'Strategic response and resilience' column in the table above, Deloitte is resilient to the climate-related risks identified and is taking steps to further increase resilience. For example, in the short term, the firm leverages inherent strengths like its diversified client portfolio and flexible working models. Medium-term strategies include actively monitoring market trends, investing in climate-related service offerings, and implementing the 'Better Buildings' framework for sustainable office spaces. Looking to the long term, Deloitte NSE focuses on achieving its *WorldClimate* strategy goals, embedding climate considerations into real estate decisions, and fostering a proactive climate-conscious culture to attract and retain talent

Deloitte's *WorldClimate* strategy (summarised below) is a key element to achieving resilience.

WorldClimate

Our *WorldClimate* programme is built on the following four pillars:

Pillar 1: Net Zero by 2040

Deloitte NSE is collaborating with Deloitte member firms globally to deliver on the Net Zero 2040 goal, leveraging Global Net Zero taskforce to develop and lead our climate strategy.

Pillar 2: Embed sustainability

Deloitte is making sustainability central to how we operate. This includes aligning climate practices and actions across member firms, making senior leadership responsible for delivering the *WorldClimate* strategy, and embedding climate-smart considerations into the firm's own operations.

Pillar 3: Empower individuals

Deloitte is providing education and tools to enable its people to address their own carbon footprint.

Pillar 4: Ecosystem plays

Deloitte collaborates with customers, suppliers, non-governmental organisations, and others collectively to help address climate change and work on initiatives which help to drive the net zero transition.



For more information on *WorldClimate*, see the response to the 'Reputation' risks and opportunities in the 'Summary of material climate-related risks and opportunities' section above, the Environmental section of the NSE Impact Report, and the *WorldClimate* 'Our Plan' webpage.

Deloitte is pursuing a multi-faceted decarbonisation strategy and recently committed to achieving net-zero greenhouse gas (GHG) emissions by 2040. More detail on this can be found in the Targets and KPIs section. The firm has assembled a global Net-zero Taskforce comprised of sustainability specialists and leaders from across the Deloitte network to lead the development of Deloitte's net-zero transition plan, which will be published in due course.

Targets and KPIs

G Describe the targets used by the LLP to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.

H Describe the key performance indicators (KPIs) used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based.

Deloitte does not currently have specific targets and KPIs aligned to each of the identified climate-related risks and opportunities (these may be developed in the future). Rather, we have overarching carbon reduction targets and environmental performance metrics⁸ which contribute to several of the risks and allow us to measure progress. Deloitte has set a worldwide science-based target to reach net-zero greenhouse gas emissions (GHGs) by 2040. In September 2024, Deloitte's target received third party validation from the Science Based Targets initiative (SBTi). Because this validation happened after the end of FY2024, for this FY2024 report Deloitte is only disclosing progress against its pre-existing near-term (2030) net zero targets, validated by the SBTi in 2020, which are applicable to FY2024.

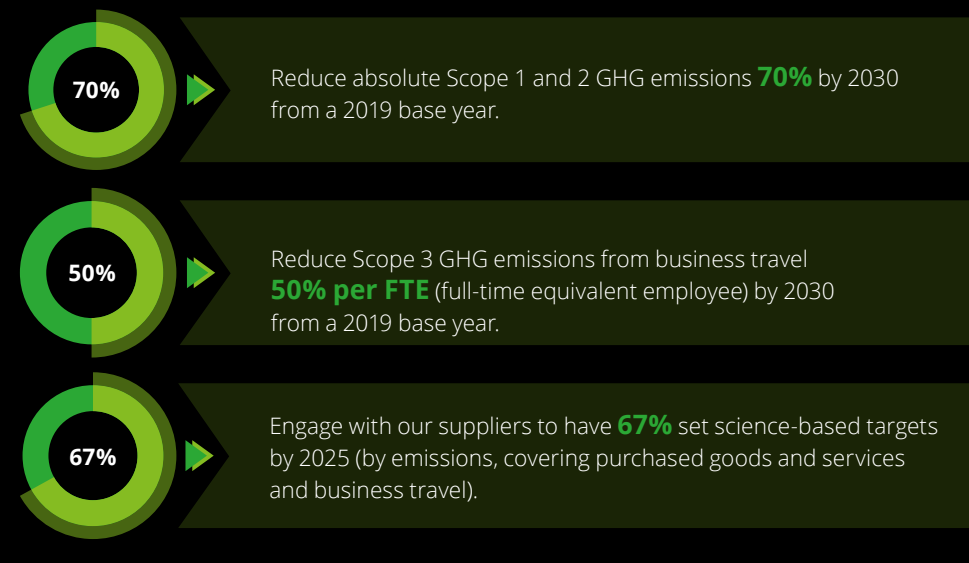
The near-term (2030) science-based net zero targets (and additional supporting targets) are set out opposite (see the end of the Targets and KPIs section for details of the new long-term (2040) targets including minor near-term target updates).

⁸ Deloitte's environmental performance metrics are the firm's climate reporting equivalent to key performance indicators (KPIs) recognised under UK CFD regulations.

Deloitte's near-term net-zero targets (applicable during FY2024):

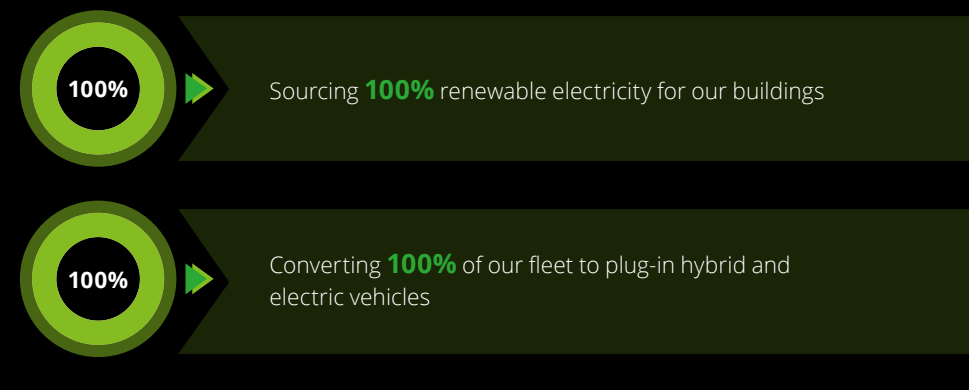
Deloitte commits to reach science-based net-zero GHG emissions with 2030 near-term goals:

- Under our near-term targets, Deloitte commits to:



Supporting targets:

Our additional 2030 targets to reduce emissions are:



Performance against targets and KPIs

The table below outlines progress against Deloitte's near-term 2030 targets and supporting targets over FY2024 with further commentary provided below.

	2024 ⁹	2023 ⁹
Near-term net zero targets:		
Reduce Scope 1 and 2 emissions by 70% by 2030	(65%)	(60%)
Reduce business travel emissions by 50%/ FTE by 2030	(51%)	(64%)
67% of strategic suppliers have set Science-Based Targets by 2025	30%	20%
Supporting Targets:		
100% of company vehicles to be EV/PHEV by 2030	54%	42%
100% of electricity to be from renewables by 2030	100%	100%

Supporting its headline targets, the firm calculates and reports on a set of environmental performance metrics covering GHG emissions, energy consumption, renewable energy use, waste production and water usage in its annual GHG emissions statement. This includes NSE's GHG emissions for the reporting period measured against historical periods (including the baseline year of FY2019). Scope 1, 2 and 3 GHG emissions (in tCO₂e) and energy consumption (in kWh) are shown in the table on the following page.

Scope 1 and 2 emissions - these continued on the downward trend seen in previous years, driven principally by electrification of the vehicle fleet, and were down 65% on the baseline of FY2019, which is on track to meet the 2030 target.

Business travel emissions - travel emissions increased in FY2024. This was driven partly by an increase in travel activity (albeit with different levels of increase and decrease seen between Deloitte NSE's National Practices). However, it should be noted a large increase in the GHG emissions factors for air travel set by the UK Government meant that a 22% increase in air travel activity in the UK resulted in a 79% increase in emissions. With the UK being the largest National Practice representing over half of NSE travel emissions, at the NSE level this meant that a 23% increase in air travel activity resulted in a 55% increase in emissions. Although overall travel emissions in FY2024 increased by 43%, because the FTEs increased by 5%, the resulting travel emissions/FTE metric only increased by 36% from FY2023 to FY2024.

Nonetheless, recognising the increase in business travel activity in FY2024, Deloitte is refocusing its efforts on sustainable travel interventions (including the use of its Sustainable Delivery Framework), aligning travel policy and approaches across NSE, and implementing a sustainable delivery campaign. Deloitte remains committed to tackling emissions from business travel and meeting its target.

Suppliers with science-based targets – the proportion of Deloitte's strategic suppliers with science-based net zero targets increased to 30% in FY2024. While this represents a 50% increase on prior year, it shows that the firm is not likely to meet its ambitious target to have 67% of supplier emissions covered by science-based targets by 2025. Deloitte's supply chain has thousands of suppliers with a range of readiness in their ability to set SBTs. Despite this, Deloitte NSE continues to work closely with Deloitte Global on targeted supplier engagement to promote the adoption of science-based targets. Deloitte also continues to collaborate with suppliers on emissions reduction initiatives, to advance product-level emissions reporting, and to engage new suppliers that are aligned to its sustainability goals.

EV/PHEV vehicles – The energy consumption of Deloitte's vehicle fleet decreased slightly in FY2024 and is 31% lower than in FY2019. The firm continues to prioritise the use of hybrid and electric vehicles and is gradually phasing out petrol and diesel vehicles from its fleets. In FY2024, 54% of Deloitte's fleet was electric or plug-in hybrid (up from 42% in FY2023). We remain on track to meet our 2030 targets.

Renewable electricity – this target has already been met. During FY2024, 100% of electricity consumption was renewable, with 49% direct from certified renewable sources and the remainder covered by purchasing Energy Attribute Certificates (EACs). Deloitte purchased EACs for electricity that was procured on non-renewable tariffs directly by the firm and that was procured on non-renewable tariffs by its landlords and supplied to the firm.

Energy efficiency

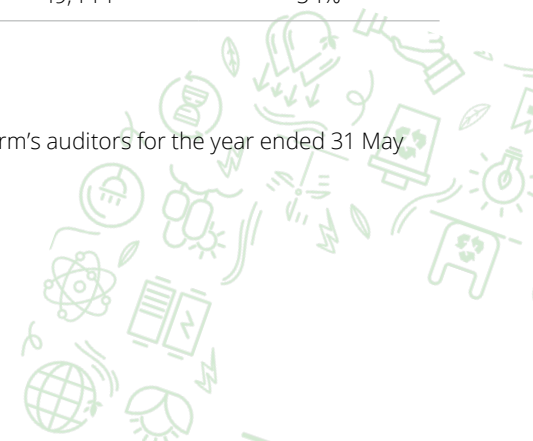
Across Deloitte NSE, the firm has continued to drive energy efficiency across its estate in FY2024. All National Practices have undertaken capital projects, examples of projects include LED lighting installations, upgraded controls, replacement of HVAC (Heating, Ventilation and Air-Conditioning) equipment with more efficient models, BMS optimisation, introduction of occupant comfort policies and reduction of temperature set points. Across Deloitte NSE there were 15 capital projects in FY2024 compared to 10 capital projects in FY2023. One sustainable real estate refurbishment was completed in FY2024 using the firm's Better Buildings process (one in FY2023).

NSE energy consumption has fallen by 30% since the FY2019 baseline and by 4% between FY2023 and FY2024. Energy consumption from buildings is essentially unchanged from FY2023 to FY2024, with a 6% drop in fleet vehicle energy use.

⁹ Figures against the first two targets show % change against the FY2019 baseline (rather than absolute change). Against the other three targets figures show total %. Therefore, baseline figures are not shown.

Deloitte NSE	2024 ^A	2023 ^A	2019 ^A (baseline)	Difference to baseline
GHG emissions (tCO₂e)				
Scope 1 – combustion of gas	2,930	3,090	5,184	(43%)
Scope 1 – combustion of fuel for transport purposes	17,327	21,086	32,145	(46%)
Scope 2 – electricity purchased for own use (location-based)	19,038	14,862	26,892	(29%)
Scope 2 – electricity purchased for own use (market-based)	-	0	23,900	(100%)
Scope 2 – district heating or cooling	2,051	1,752	2,419	(15%)
Scope 3 – business travel in rental cars or employee-owned vehicles where the firm purchases the fuel	4,213	3,740	6,965	(40%)
Scope 3 – other business travel	68,443	46,960	89,076	(23%)
Scope 3 – purchased goods and services (PG&S)	86,214	221,186	111,278	(23%)
Scope 3 – commuting and homeworking	27,109	32,622	34,545	(22%)
Total gross GHG emissions (location-based)	227,325	345,298	308,504	(26%)
Total gross GHG emissions (market-based)	208,287	330,436	306,011	(32%)
Total gross GHG emissions (market-based) per FTE	2.73	4.56	6.19	(56%)
Certified Emission Reductions	104,144	109,249	74,047	41%
Energy consumption				
Energy consumption – all sources (kWh)	199,054,075	206,874,118	284,689,712	(30%)
FTEs				
FTEs (denominator for per FTE metrics)	76,335	72,517	49,444	54%

A. Metric is subject to limited assurance, in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) and ISAE 3410, by the firm's auditors for the year ended 31 May 2024 and 2023. BDO's Independent Limited Assurance Reports have been published in Deloitte's [NSE Impact Report](#).



Deloitte's net zero by 2040 targets

In 2020, Deloitte pledged to achieve net-zero emissions by 2030 as part of its *WorldClimate* ambition. This commitment was based on achieving its 2030 near-term science-based net zero goals and offsetting residual emissions through high-quality carbon credits (these targets were validated by the SBTi in 2020 in line with their guidance at that time). Under SBTi's Net-Zero Standard published a year later, companies are required to set both near- and long-term targets. Deloitte subsequently revised its headline ambition to "net-zero with 2030 goals".

In 2024, Deloitte set long-term targets to reach net-zero greenhouse gas emissions by 2040 in accordance with the new Net-Zero Standard. Alongside these new long-term targets, Deloitte has updated its pre-existing near-term targets (see box opposite). In September 2024, Deloitte's targets received validation from the SBTi.

Deloitte has committed to a 90% reduction in GHGs by 2040 from a 2019 base year across our business operations and value chain and will remove the remaining 10% of emissions through the purchase of permanent carbon removals. This means that the firm's net-zero target is consistent with the Paris Agreement goal to limit global warming to 1.5°C and signifies the firm's ongoing commitment to reducing its carbon footprint and minimizing the impact of its operations on the environment.

Deloitte will report fully against these targets in future reporting cycles. However, Deloitte's (absolute) total emissions, including the reduction from baseline to FY2024, are included in the environmental metrics table above. Total gross emissions for NSE have reduced in FY2024 by 32% compared to FY2019 levels and 37% compared to FY2023. The decrease from FY2023 was driven largely by an improvement to Deloitte's methodology for calculating Purchased Goods & Services (PG&S) emissions (see Reporting Methodology section).

Reporting methodology

Overall approach

In preparing the GHG emissions and energy data in this report, Deloitte has followed the 2019 UK Government environmental reporting guidance. GHG emissions have been calculated using an operational control consolidation approach as described in the GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard created by the World Resources Institute and the WBCSD. The GHG emissions reporting boundary covers all entities and all facilities either owned or under the operational control of Deloitte NSE, the work activities of Deloitte's employees, and certain operations in its value chain. Detailed information on the firm's application of this method is shown in the NSE GHG Emissions Basis of Reporting.

An outline of the FY2024 methodology assumptions and changes which have the greatest impact on reported numbers is set out below.

Deloitte's net-zero targets (as of September 2024)

Deloitte commits to reach net-zero GHG emissions across the value chain by 2040.

Under the firm's near-term targets, Deloitte commits to:



Reduce absolute Scope 1 and 2 GHG emissions **70%** by 2030 from a 2019 base year.



Reduce Scope 3 GHG emissions from business travel **55%** per FTE (full-time equivalent employee) by 2030 from a 2019 base year. (Note: To meet the SBTi Net-Zero Standard, Deloitte increased its business travel reduction target from **50%** to **55%**)



Engage with the firm's suppliers to have **67%** set science-based targets by 2025 (by emissions, covering purchased goods and services and business travel).

Under our 2040 targets, Deloitte commits to:



Achieve net-zero GHG emissions across our value chain by 2040.



Reduce absolute Scope 1, 2, and 3 GHG emissions **90%** by 2040 from a 2019 base year.

Energy consumption

Energy consumption represents the aggregate of (a) energy consumed by activities for which the firm is responsible involving gas combustion, or fuel consumption for transport purposes, and (b) energy consumed resulting from purchasing electricity, heat or cooling for own use, including electricity for the purposes of transport. Electricity has been reported using both the location-based and market-based methods. All electricity consumption is either through certified renewable tariffs or is covered by purchased EACs, so is reported as zero emissions under the market-based method.

Purchased goods and services

The methodology for calculating PG&S emissions is based on procurement expenditure data. Assumptions have been applied to this data, including the allocation of expenditure into procurement categories, the treatment of suppliers' reported Scope 3 emissions and the CDP sector emission factors applied to each expenditure category.

The firm regularly reviews this approach to reduce the level of assumptions and increase the accuracy of input data and calculations. In FY2024, Deloitte revised the method for calculating emissions from the procurement spend category of contingent labour (contractors). Previously this was a spend-based calculation using procurement spend on contractors; from FY2024 this is an activity-based calculation using data on contractor business travel and commuting/homeworking. Contingent labour emissions were previously included in Scope 3 PG&S because their emissions were calculated based on spend; however now that their emissions are calculated based on activity they are in Scope 3 business travel and commuting/homeworking. Deloitte also better defined spend-based exclusions for non-emissions generating spend (e.g. taxes, intercompany transactions). The result is a significant fall in emissions.

As this methodology change is possible due to improvements in data granularity, it cannot be applied retrospectively thus no restatement is possible for years prior to FY24. Reported PG&S emissions in this report (and in the main table of Deloitte's Greenhouse Gas Emissions statement¹⁰) use the pre-FY24 methodology in years prior to FY2024 and the FY2024 methodology in FY2024. However, to help with year-on-year comparability of reported emissions, comparative metrics for FY2024 and prior years have been included in a supplementary table of the GHG statement to approximate the effect of the two methodologies in each reporting year, from FY2019 baseline) to FY2024. Were the FY2024 methodology to have been used in all reporting years, PG&S emissions would show an increase from the baseline year (FY2019) to FY2024, rather than the reported decrease. Further details on the revised methodology for PG&S emissions are provided in the NSE GHG Emissions Basis of Reporting¹¹.

Deloitte will continue to refine its methodology for PG&S emissions in the future, particularly in moving further procurement categories from spend to activity-based calculations. Deloitte expects that this will lead to further year on year shifts to the firm's reported emissions.

Commuting and homeworking

Actual activity data on commuting was sourced from surveys for six Deloitte NSE National Practices in FY2024. This represents an improvement on the assumptions and benchmarks used in the commuting and working from home calculation prior to FY2024. Just under 50% of FY2024 commuting and homeworking emissions are calculated from actual data inputs, therefore the remainder of the calculation still rests on assumptions and extrapolation. We will refine these assumptions and improve the methodology moving forwards as guidelines develop and we are able to source more data.

¹⁰ [NSE GHG statement](#)

¹¹ [Environmental Performance Data \(inc. GHG Emissions\) Basis of Reporting](#)





The path forward

Effectively addressing the firm's climate risks and opportunities, in particular achieving net-zero by 2040, requires collaboration across Deloitte and its value chain. It entails a fundamental transformation to how Deloitte serves clients, the technology it uses in its work, and the offices where it works.

This transformation requires active participation from Deloitte's leaders and people, as well as cultural change and investment in solutions. Deloitte is also committed to enabling a just transition that puts people at the heart of its approach, supporting people and communities to benefit from the transition to a green economy.

While the journey will likely be complex and unpredictable, Deloitte is committed to embracing these challenges head-on and working collectively toward a sustainable future within the organization and with clients and suppliers.

Deloitte has assembled a global Net-zero Taskforce comprised of sustainability specialists and leaders responsible for our areas of highest emissions. The Taskforce is developing a net-zero transition plan that will be published in due course. This plan will detail Deloitte's transformation journey to achieve a more sustainable business model and play its role in the economy-wide transition to net-zero.



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