



FY2025 Deloitte NSE Climate-related Financial Disclosures Report

December 2025





Table of contents

About Deloitte NSE	03
Introduction	04
Governance	06
Risk Management	07
Strategy	09
Targets and KPIs	23
Environmental performance metrics	24
Performance Commentary	25
Reporting Methodology	26
Looking forward	28

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



30

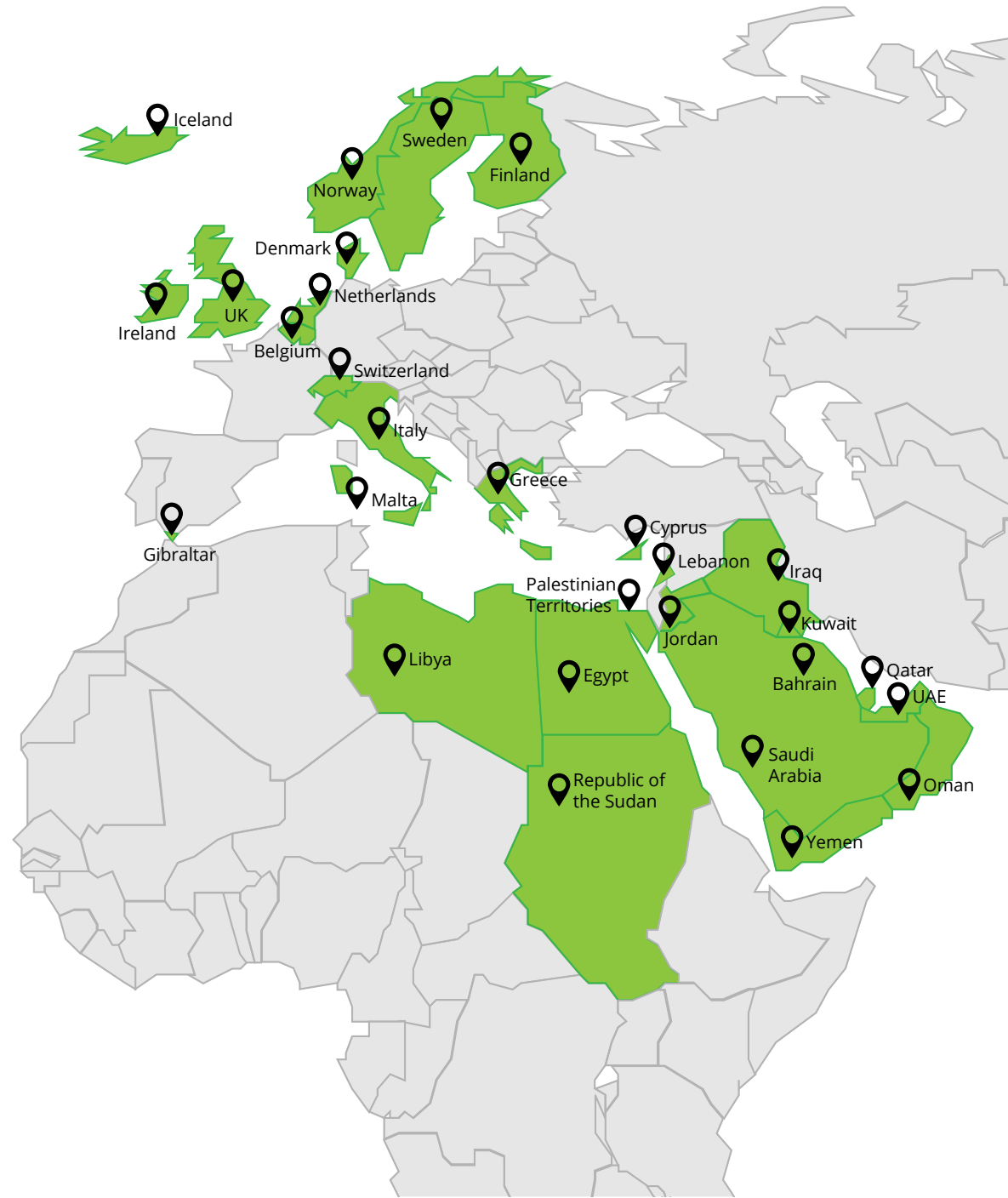
countries all part of one firm



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 North & South Europe (Deloitte, Deloitte NSE or the firm¹) is committed to embedding sustainability in everything it does. By empowering our people and engaging our networks, we aim to create solutions that deliver a tangible impact on climate, nature and society, and enable the transition to a low-carbon economy.

Taking decisive action on climate change and reducing carbon emissions is not only a strategic imperative for Deloitte, our suppliers and clients, but critical for society, our planet and future generations. Climate change requires collective action to mitigate the negative impacts affecting livelihoods, wellbeing and habitats in our region and across the globe.

Deloitte has set a worldwide science-based target to reach net-zero greenhouse gas emissions (GHGs) by 2040. This signifies our dedication to reducing our carbon footprint and minimising the impact of our operations on the environment. Our net-zero target is consistent with the Paris Agreement goal to limit global warming to 1.5°C and received third-party validation from the Science-Based Targets initiative (SBTi) in 2024.

Achieving net-zero by 2040 requires collaboration across Deloitte and our value chain. It entails a fundamental transformation to decarbonise our business. This includes how we serve our clients, the technology we use to do our work, and the offices where we work.

To spearhead the development of our network-wide net-zero transition plan, which will be published in 2026, Deloitte has assembled a global net-zero taskforce comprised of sustainability specialists and leaders from across the Deloitte network, including Deloitte NSE. By pursuing net-zero emissions, we are not only transforming our own business practices but also helping to empower our suppliers and clients to do the same and leading the transition to net-zero in professional services.

By bringing together the best of our expertise and services, we offer our clients and audited entities seamless, multi-disciplinary advice that supports their own sustainability transformations. Through our own sustainability transformation, we have developed frameworks that can be adopted more widely, such as the Better Buildings sustainable real estate framework. In addition, the firm regularly collaborates with external organisations and public bodies on matters related to climate change and climate-related reporting to support standards development. Together, we are helping drive progress toward a more sustainable future, accelerating ESG reporting, leveraging innovative technologies, and engaging our supply chains to effect positive change.

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 for the financial year ended 31 May 2025. This 2025 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 2022.

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 and will continue to develop its disclosures in line with changing standards and regulations in the jurisdictions in which it operates, particularly the International Sustainability Standards Board's (ISSBs) sustainability reporting standards (to be implemented into UK legislation via adoption of the UK Sustainability Reporting Standards²) and European Sustainability Reporting Standards (ESRS) requirements. This will include developing more specific targets and KPIs to monitor identified climate-related risks and opportunities and improving methodologies to capture and report data more accurately.

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 "National Practices" throughout this report. The scope of the Targets and KPIs in this report is the financially consolidated NSE entities only, aligning with the financial statements scope.

2. The firm notes that the UK Government intends to adopt these standards but that implementation timescales for different types of organisations are pending. The firm is continuing preparations for compliance and will monitor developments.



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. We have robust governance in place to oversee, assess and manage climate-related risks and opportunities.

As the firm's primary governance body, the **Deloitte NSE Board** is responsible for ensuring high quality governance and stewardship of Deloitte NSE. Its role includes:

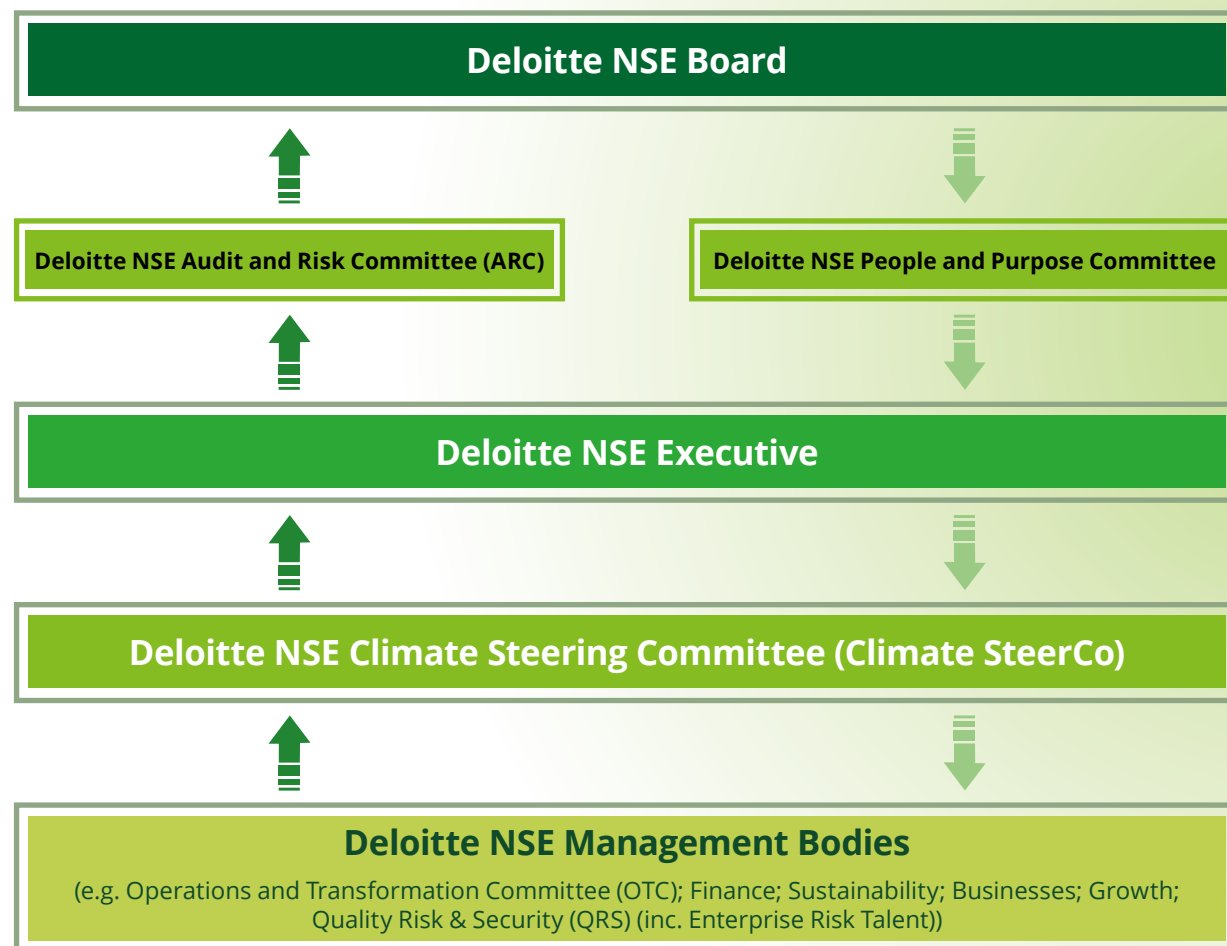
- ultimate oversight of the management of the firm and the level of risk acceptable in each area of the business.
- responsibility for the promotion and protection of member interests generally.
- supervision of the Deloitte NSE Executive in the delivery of the strategy and objectives of Deloitte NSE, 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. These responsibilities include:

- oversight of climate risks (via the Enterprise Risk Framework (ERF)) as part of its responsibility for enterprise risks and opportunities
- Deloitte's public climate and sustainability reporting.
- reporting to the full Board on climate-related matters at least annually

The Board also delegates oversight of Deloitte's net-zero transition plan to its **People & Purpose sub-committee**.

Deloitte NSE climate management & governance structure



The **Deloitte NSE Executive**, led by the Deloitte NSE Chief Executive Officer, is responsible for the day-to-day leadership and management of the business. Each member of the Executive is responsible for a specific area of Deloitte's operations and strategy, as well as client delivery and people development. The Executive is accountable to the Board for the implementation of the business strategy (including the sustainability strategy), and for achieving related targets. Some Executive members, known as Executive Risk Owners, have direct accountability for climate-related risks and opportunities, including reviewing, approving and responding to these.

The Executive is supported on climate matters by the **Deloitte NSE Climate Steering Committee** (Climate SteerCo), a subcommittee of the Executive, which provides updates at least twice a year on actions taken to address climate-related risks and opportunities and submits decisions for evaluation and approval by the Executive.

The Climate SteerCo is responsible for the management and delivery of climate-related matters across Deloitte NSE, including approach, strategy and risk management. The committee comprises the Deloitte NSE Chief Sustainability Officer (CSO), Deloitte NSE Chief Financial Officer, Deloitte NSE Chief Operations Officer (COO), Deloitte NSE Chief Risk Officer (CRO), Deloitte NSE People & Purpose Lead, and Deloitte NSE Growth and Business representatives and meets up to six times a year. Its primary role includes:

- advising on the strategic direction of the firm's climate-related ambitions
- identifying, assessing and monitoring all material climate-related risks and opportunities
- monitoring and evaluating the activities and progress of the Deloitte NSE management functions (including Quality, Risk & Security (QRS), Businesses, Growth, Operations and People & Purpose) to climate-related risks and opportunities relating to their function
- tracking progress against climate targets
- reviewing and approving all climate-related reporting and disclosures, including this report.

The Deloitte NSE Managing Partner for Operations is accountable for delivering the sustainability strategy, while the Deloitte NSE CSO is responsible for its day-to-day execution. This includes managing climate-related risks and opportunities within Deloitte's internal operations. Day-to-day operational risks and opportunities are delegated to Deloitte NSE sustainability team, National Practice sustainability teams (national sustainability teams) and National Practice Deloitte Business Security teams.

The Climate SteerCo is supported in its role by the Deloitte NSE sustainability team, which provides regular reports on progress against climate strategy, including against Deloitte's near-term 2030 and long-term 2040 emissions reduction goals.

In addition, the Deloitte NSE Executive and Chief Operating Officers across NSE participate in working sessions on climate-related priorities and actions with the NSE sustainability team.

Deloitte NSE operates across multiple geographies through its National Practices and continues to align climate governance and implement connected climate-related business planning and budgeting across these National Practices. In FY2025, Deloitte NSE further embedded this alignment by bringing the National Practices into the net-zero taskforce which is developing Deloitte's global net-zero transition plan.

The Chief Operating Officers of all National Practices are involved in the scrutiny of climate-related risks and opportunities through their membership of (and participation in) the **Deloitte NSE Operations and Transformation Committee**.

Deloitte NSE and National Practice leaders are educated on climate-related matters through Deloitte's global climate learning programme, tailored sessions delivered through Deloitte NSE leadership development programmes and Deloitte University Europe, and climate and sustainability workshops held by each national sustainability team.

In addition to supporting Deloitte's response to addressing climate change within its own operations and value chain, national sustainability teams assist clients with their own climate journeys. Business and Growth leaders across Deloitte NSE are responsible for the implementation of the climate-related services strategy, including the management of associated climate-related risks and opportunities.



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 identifies, assesses, manages and monitors all risks through the Enterprise Risk Framework (ERF) at both the Deloitte NSE and National Practice levels. The ERF sets out the Deloitte NSE Executive's assessment of principal and emerging risks 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 risks are considered through and embedded within the ERF, alongside other business risks. Risks and opportunities are evaluated against four impact dimensions: strategy and market differentiation, brand and reputation, operational and financial resilience, and people and purpose. Risks are prioritised based on residual exposure (the likelihood of a risk crystallising, and its impact on Deloitte given the current ability to mitigate or manage it) and categorised as very high, high or medium.

The material climate-related risks and opportunities we have identified are described in the Strategy section below. These risks have been identified at a Deloitte NSE-level and include both physical and transition risks. We have considered:

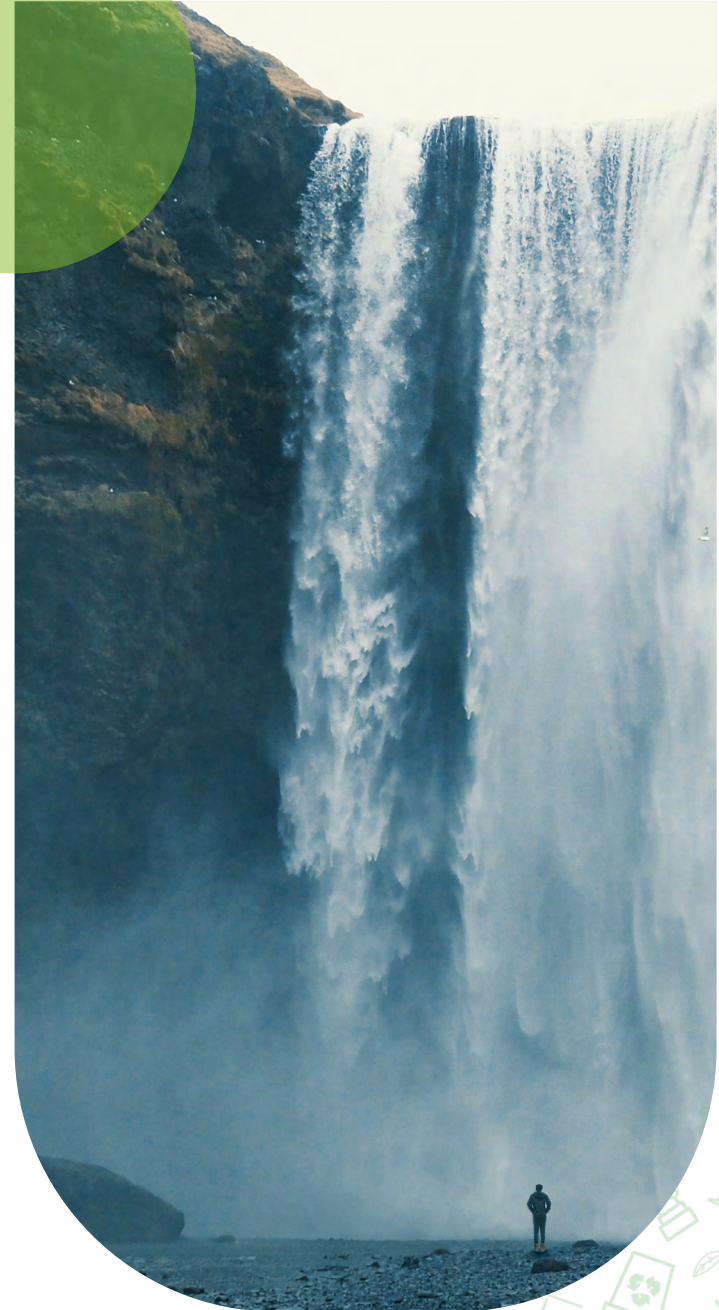
- existing and emerging regulatory requirements, such as policies that are being introduced to deliver against jurisdictional commitments
- changes to client needs
- threats to reputation.

These risks and opportunities are assessed in line with Deloitte's risk methodology and governance processes and informed by qualitative scenario analysis. The [Strategy](#) section sets out materiality considerations for 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 Management (ERM) Team facilitates the ERF. Climate-related risks, like all enterprise risks, are assigned to an Executive Risk Owner. The Executive Risk Owner oversees work carried out by management teams within the organisation to manage those risks and is responsible for monitoring the effectiveness of the risk management and mitigation plan. Regular meetings are held between the ERM team and each Executive Risk Owner to:

- discuss and assess residual exposure
- consider the internal and external drivers of the risks, and the appropriate management approach
- evaluate the effectiveness of mitigations
- agree the status of any actions deemed necessary to further enhance these mitigations.

Outcomes are reviewed by both the ERM team and Executive Risk Owners and included within the ERF.



Ongoing assessment of climate-related risks and other business risks

The ERM team uses a risk dashboard to monitor the status of each risk with the respective Executive Risk Owners and the Deloitte NSE CRO twice yearly. At these reviews, the Executive Risk Owners and the Deloitte NSE CRO assess whether current risk management activities are sufficient. If additional action is required for climate-related risks, these are designated as 'special focus' (which requires more detailed management monitoring) or 'action required' (which requires immediate additional mitigation actions). If these designations are made, more detailed management and monitoring will be carried out.

National Practices are responsible for implementing risk management and mitigation plans. The Deloitte NSE sustainability team (which manages the firm's own sustainability transformation, including its climate response) holds regular discussions with the Executive Risk Owners and the Deloitte NSE CRO to gain insight and consult on progress relating to climate-related risks.

Executive Risk Owners conduct residual risk assessments for each climate-related risk and opportunity which are presented to the Deloitte NSE Executive for approval and Deloitte NSE ARC for review and oversight. Plans to manage and monitor the risks are communicated to the Deloitte NSE ARC after twice a year, as part of the ERM team's enterprise risk updates.

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, including their effective management, the evaluation of outcomes, and providing the Deloitte NSE Executive with a holistic view of climate-related impacts on Deloitte.



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 the material climate-related risks and opportunities impacting Deloitte's business and the firm's strategic response to these. The assessment of climate risk and opportunities considers 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:



Short-term

Short-term is aligned with Deloitte's internal planning and forecasting time frames.

Medium-term

Medium-term is in line with the firm's near-term 2030 goals.

Long-term

Long-term is defined through to 2050 in line with UK and EU jurisdictional net zero targets.

Climate scenarios

Deloitte NSE has selected the Network for Greening the Financial System (NGFS) Climate Scenarios for use in its scenario analysis. Deloitte NSE is a professional services organisation with diverse geographic and sectoral exposure similar to that experienced in the financial services sector. On this basis, we consider the NGFS scenarios to be most suitable to understand how Deloitte NSE's climate and risk exposure and resilience could evolve in the future, as a result of different climate change trends.

Deloitte selected three scenarios – Current Policies (3°C), Divergent Net Zero and Orderly Net Zero by 2050 – to assess the impacts of climate-related risks and opportunities across the applicable short, medium, and long-term time horizons. The use of two net zero scenarios with similar policy ambitions (below 1.5°C) but different policy reactions enables a range of risks and opportunities to be captured in a transition scenario, factoring

in the market and regulatory drivers to which Deloitte NSE is most exposed. This is particularly relevant given the comparable climate policies and net-zero ambitions of the UK and EU, and the relative financial importance of these markets to Deloitte NSE's overall revenue. The Current Policies scenario represents a significantly warmer future where physical climate impacts could put business operations and continuity at risk.

Analysis performed in 2023 used the firm's internal scenario modelling to assess each climate scenario's potential positive and negative implications. The selected scenarios enable Deloitte to robustly assess the impacts of climate change over the short, medium, and long-term under three possible pathways, with global warming ranging from 1.5°C to 3°C. As there have been no material changes to the firm in FY2025, the results of the analysis are still valid. The firm recognises that under CFD requirements it is expected to review and refresh its scenario analysis at least every three years. This will next be undertaken for the FY2026 disclosures.

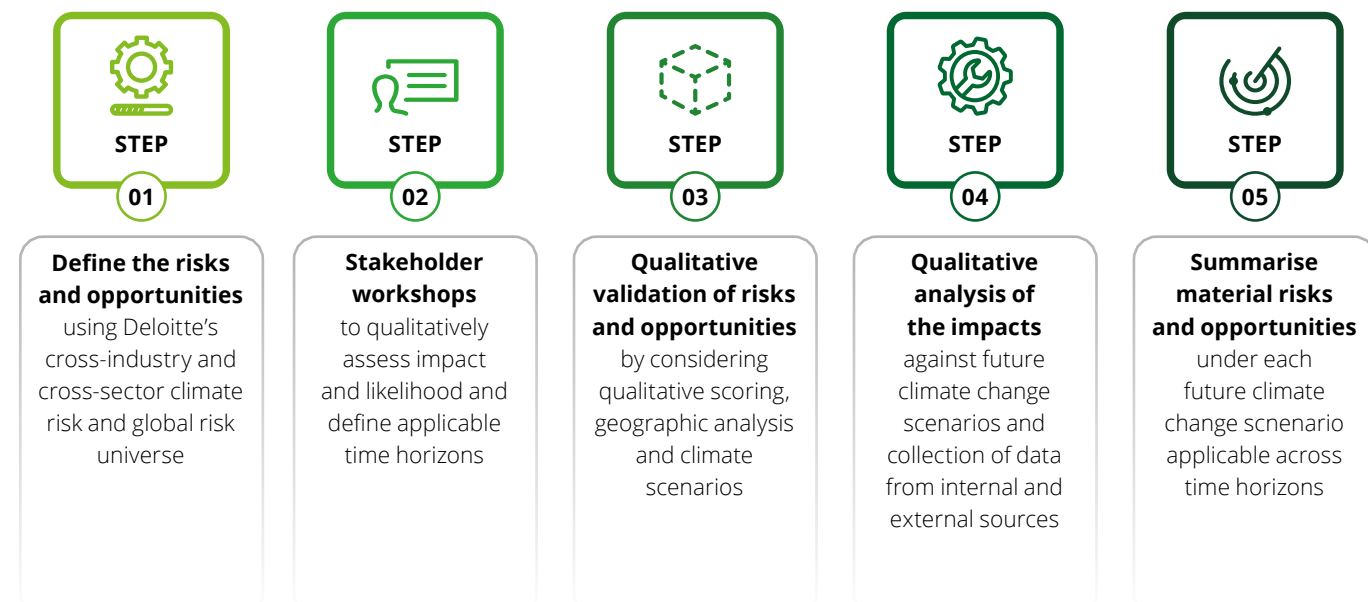
Table 1 – Scenarios per NGFS definitions June 2023³

	Current Policies	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 21 st 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 21 st 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.

3. NGFS scenarios were updated in 2024. Deloitte's scenario analysis was conducted in FY23 using the 2023 scenarios shown here. This analysis will be refreshed in FY26, in line with CFD regulatory requirements, using updated scenarios.

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 Enterprise Risk Framework (ERF), which is described in the [Risk management](#) section above.

The identified climate-related risks and opportunities were assessed by members of the Climate SteerCo (as well as other key senior stakeholders across Deloitte NSE) 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 above) and corresponding strategic responses. The results are presented in the table below.



Summary of material climate-related risks and opportunities and Deloitte NSE's response

Deloitte NSE integrates climate-related risks and opportunities into its strategic, operational and financial planning process. This ensures that decisions not only align to the firm's purpose but contribute to the economy-wide low-carbon transition. Deloitte NSE carefully considers 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. 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. In making such responsible climate choices, Deloitte aims to protect and enhance its reputation as a responsible business and increase its standing among stakeholders.

The table below sets out the list of climate-related risks and opportunities identified as having a potentially material impact on Deloitte NSE. Deloitte NSE has not performed sector-specific analysis: as a professional services organisation, the firm considers the impact of climate-related risks and opportunities to be consistent across its primary service offerings. Deloitte NSE has not considered geographic impact for the transition risks and opportunities below: due to the global nature of Deloitte's operations, the firm expects these to be largely consistent across all Deloitte NSE geographies.



Risk: Disruption to business operations and service delivery due to extreme weather events impacting infrastructure (e.g., data and delivery centres) and employee productivity.

Physical: Acute and Chronic

Description and potential impact to Deloitte NSE:

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.

Potential impact under climate scenarios and time horizons:

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 Deloitte NSE infrastructure and employees and corresponding revenues over the long-term aligns accordingly.

Geographic impact:

Deloitte NSE has numerous data and delivery centres across its geographies. The distribution of these means that the risk of business interruptions is somewhat diversified. It also presents a risk that employees' productivity may be affected by physical climate events outside their region.

The physical risk impact on employees will vary by National Practice and type of event.

Strategic response and resilience:

Deloitte's response to physical climate risks is incorporated into the firm's sustainability strategy and business continuity planning, mitigating the impact on productivity and corresponding revenues. Business continuity looks at resilience to acute risks. Real estate and physical security teams are starting to consider longer term chronic risks in e.g. real estate site selection. The firm is certified to the Business Continuity Management standard ISO22301, and Business Continuity Plans are in place to maintain continuity of Deloitte's services, should extreme events occur. As required by ISO22301, the firm has assessed the relevance of climate change as a business continuity issue.

Real estate - Through Deloitte's Real Estate Sustainability Policy and 'Resilience Design Priorities' (within its 'Better Buildings' sustainable real estate framework), the firm integrates consideration of current and future climate risks into real estate and operational decisions. This includes: the identification and avoidance (at leasing stage) of sites that may pose future risks to business continuity and resilience to climate change; and consideration of the implications of future weather conditions for occupant comfort and cooling demand. Future real estate projects will be required to follow the Resilience Design Priorities. Physical security teams complete security plans and threat and risk assessments for all offices, which identify and manage relevant climate related risks.

Flexible and hybrid working - We offer flexibility in working patterns and locations. We expect this to mitigate productivity loss in the case of acute physical risk events. Many Deloitte employees can carry out a significant proportion of their work remotely and at a time that is convenient to them.

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.

Data centres - We continue efforts to assess the physical risks to data centres, with consideration to the potential impacts on region-wide critical systems and infrastructure. In addition, the firm continues to migrate key systems into the cloud to increase security and resilience.

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 also addresses supply chain resilience through a Responsible Procurement Policy, which requires suppliers to take reasonable steps to mitigate their 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.

Risk: Change in revenue from clients in sectors that are highly exposed to climate change and/or that are unable to transition.

Transition: Market

Description and potential impact to Deloitte NSE:

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 unclear. Deloitte has a large client base and it is likely that climate change will negatively impact some of our clients. This may reduce revenue from client engagements.

Potential impact under climate scenarios and time horizons:

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.

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.

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.

Strategic response and resilience:

Deloitte has a breadth of experience and understanding of the markets in which it operates, and trends in key industries, sectors and clients. 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.

Deloitte's strategy drives its ability to work across multiple sectors and geographies, and with numerous organisations from listed to entrepreneurs. This diversified portfolio, together with the long-term trust and relationships that we build with our clients, mean the firm is well-placed to adapt its client portfolio as we move to a low-carbon economy.

NSE Growth and Business teams together with National Practices continue to monitor the wider market, industry shifts and portfolio of clients to ensure the firm's strategy remains relevant and resilient.



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

Transition: Market

Description and potential impact to Deloitte NSE:

As a global business with a breadth of skills, resources and experience developed through its long-standing relationships with companies across multiple industries, this presents an opportunity to grow its climate service offerings and corresponding revenues while contributing to economy-wide, low-carbon transitions across its geographies, and creating an impact that matters for clients.

Potential impact under climate scenarios and time horizons:

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.

Net Zero transition scenarios are expected to result in a higher demand from clients 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, with the Divergent Net Zero scenario more likely to impact in the medium to long term.

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.

Strategic response and resilience:

Deloitte's business strategy continues to enable Deloitte to address this opportunity and respond to client demand.

Deloitte continues to invest in sustainability-related activity, including client-related services and data-driven research. In FY2025, Deloitte created new and expanded offerings in areas such as the Corporate Sustainability Reporting Directive (CSRD), Energy Transition, Future of Food, Sustainability of AI and AI for Sustainability. The firm has enhanced its sustainable data and technology capabilities (e.g. GreenSpace Tech and GreenLight) and insight and advice services (e.g. EMEA Sustainability Regulation Hub, Deloitte 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, and with One Planet Network and the World Business Council for Sustainable Development (WBCSD).

Deloitte will continue to innovate and expand these offerings to meet client demand and societal expectations for a low-carbon economy.

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.

Transition: Reputation

Description and potential impact to Deloitte NSE:

People are at the heart of Deloitte NSE's operations and service offerings. In the Deloitte Global 2025 Gen Z and Millennial Survey, professionals reported strong views on the importance of employers acting on climate change, with more than 70% of Gen Z and millennials citing environmental credentials as important when considering a potential employer. Approximately half of Deloitte NSE's employees are 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 clients.

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 (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 NSE is committed to a credible response to climate change, encapsulated in its sustainability strategy, with the headline ambition to achieve net zero by 2040.

Setting science-based net zero targets

In 2024, Deloitte set a worldwide 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 on [page 22](#)).

Deloitte NSE obtains external limited assurance over its environmental and GHG emissions data (see the Targets and KPIs section below). This enables the firm to monitor progress against its targets more reliably and continue to take credible action in response to climate impacts across its operations and value chain.

Tackling our own climate impacts

Deloitte NSE is making sustainability central to how it operates. This includes aligning climate practices and actions with other Deloitte member firms, making senior leadership responsible for delivering the sustainability 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 sustainability 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 empower and motivate its people to actively support its sustainability strategy.

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.

Transition: Reputation

Empowering our people (continued)

Through the Climate Champions network, which comprises more than 700 individuals across Deloitte NSE, and tools such as AWorld, a personal carbon footprint calculator, the firm educates people about their environmental footprint, enabling them to make more sustainable choices.

The NSE sustainability strategy offers initiatives that equip Deloitte's leaders to drive the net-zero transformation through goal setting, training and workshops. In FY2025, National Practices such as the UK and Switzerland began to embed climate-related considerations into personal objective guidance for people and/or partners. In FY2025, our people were asked for the first time about their engagement with the firm's sustainability strategy, as part of the NSE-wide Engage for Change employee survey. Based on these results, we are evaluating strategies to further empower our employees to take environmental action. These efforts demonstrate Deloitte's commitment to attracting and retaining talent by showcasing a robust climate response.

Working with value chain and clients

In addition to our commitment to work with our supply chain to help them set science-based targets, the firm is also helping clients 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 clients and partners to accelerate the low-carbon transition.

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

Transition: Reputation

Description and potential impact to Deloitte NSE:

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, and develop new and 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 clients 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.

Furthermore, an increasing number of Deloitte clients now require minimum standards for climate-related pledges or progress. Some clients require their suppliers to have set net-zero targets. We believe that these requirements will become more stringent over time. A failure by Deloitte NSE to demonstrate suitable credentials could result in a loss of contracts and revenues.

Potential impact under climate scenarios and time horizons:

Under the two Net Zero scenarios, this risk increases from the short-term onwards due to an expected increase in policy requirements, and client action and expectation. Deloitte will need to match or exceed this pace of change to avoid a reduction in contracts and revenues.

Under the 3°C scenario, the risk will increase only in the longer term, as the expectations to transition in response to climate change will be lower.

Strategic response and resilience:

Strategic response and resilience as for the risk above.

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

Transition: Reputation

Description and potential impact to Deloitte NSE:

Deloitte's brand and reputation is driven in part by the clients 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.

As a global organisation, reputational damage from providing services to clients across any of Deloitte's business offerings or National Practices could impact growth and revenue associated with future client services.

Potential impact under climate scenarios and time horizons:

A continued expansion of climate legislation is expected under both Net Zero scenarios. Where climate expectations of businesses are high, the reputational risks associated with climate inaction are likely to be most significant in the medium to long term.

Under the 3°C scenario, societal expectations and demands for adequate climate action are expected to increase over the medium to long term. Despite this, the reputational impacts that might be associated with climate inaction are likely to be reduced due to the absence of global policy.

Strategic response and resilience:

Deloitte's client and engagement due diligence process, conducted at national practice level, determines which clients and engagement opportunities Deloitte takes on. Through this process, national practices militate against potential reputational damage from inappropriate relationships.

Additionally, national practices operate Responsible Business Committees and/or Public Interest Groups, to review and opine on specific clients and opportunities which present increased public interest and/or reputational risks. An NSE Public Interest Consistency Group acts as a consultative body which drives consistency of risk thinking and approach across national practices, and to which cross-border matters can be escalated for additional guidance and direction.

Reviews of clients and opportunities happen across a range of thematic areas, including the potential impact of Deloitte's client engagements on the collective response to climate change, and the potential for reputational damage to the firm as a result.

Risk: Increased costs and reputational damage arising because of climate litigation (and/or accusations of greenwashing) including from inadequate provision of climate related services.

Transition: Policy & Legal

Description and potential impact to Deloitte NSE:

The demand for Deloitte's services has increased, and is likely to continue increasing, as its clients consider climate-related impacts and respond to related legislation. Should the firm fail to meet expected quality standards, it could face an increase in the frequency and severity of climate-related litigation and/or accusations of greenwashing. This could increase costs incurred by Deloitte and lead to reputational damage.

Potential impact under climate scenarios and time horizons:

Climate-related litigation is expected to rise under all three scenarios, but the phasing of the increase will vary.

This risk is expected to materialise fastest in the short term under the Orderly Net Zero scenario due to the earlier introduction of stricter climate and greenwashing regulations. Under the Divergent Net Zero and 3°C scenarios, climate-related litigation claims are expected to increase only in the medium and long terms in response to more delayed regulatory transition scenarios.

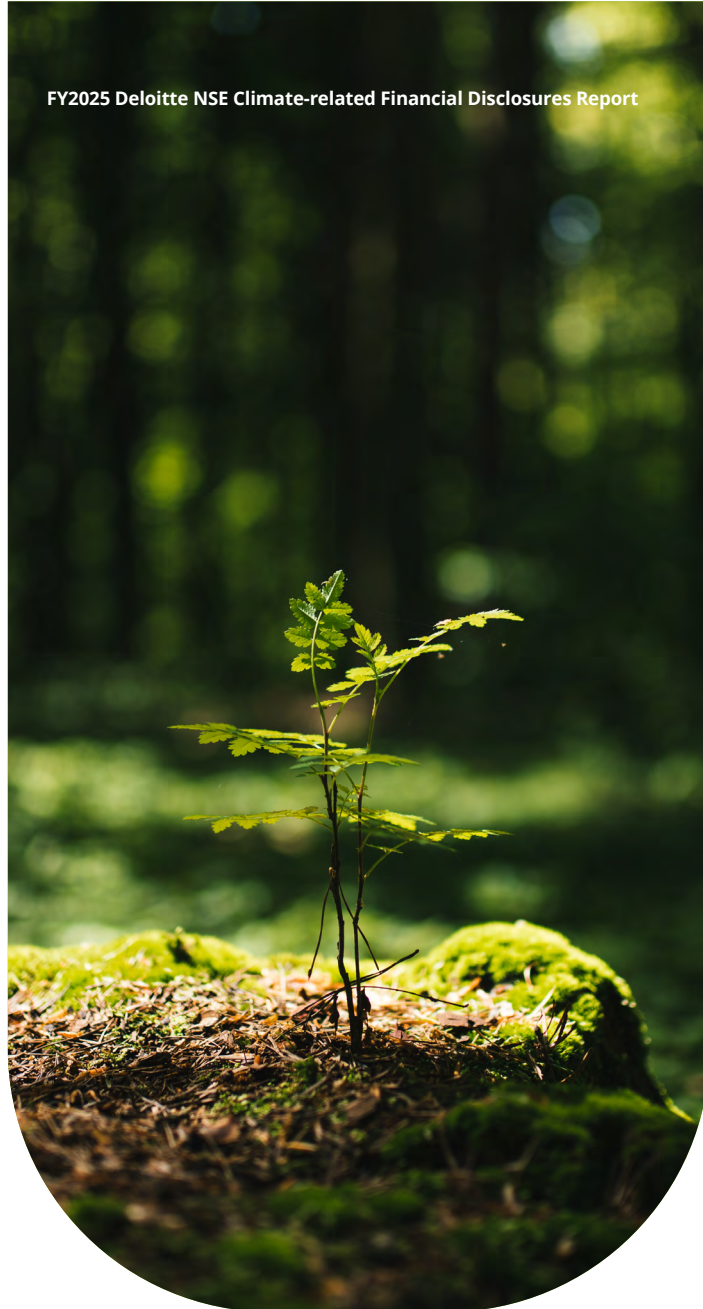
Strategic response and resilience:

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). Furthermore, Deloitte retains the fundamental principle of objectivity at the heart of its service delivery and the values we instil in our people.

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 and to drive the net-zero transition in the broader economy.

The firm provides its practitioners with mandatory training to understand the policies, practices and standards they must follow while performing work both internally and for clients. In FY2024, the firm introduced additional guidance for practitioners on the risks of greenwashing. Similarly, the firm conducts internal reviews of climate-related engagements to ensure high quality and reduce the risk of reputational damage to Deloitte.

Collectively these approaches help mitigate against the inherent risk of climate litigation and/or accusations of greenwashing.



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. In the short term, the firm leverages 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 sustainability strategy goals, embedding climate considerations into real estate decisions, and fostering a proactive climate-conscious culture to attract and retain talent.

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

Our sustainability transformation 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 the 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 sustainability strategy, and embedding climate-smart considerations into our 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 clients, suppliers, non-governmental organisations, and others collectively to help address climate change and work on initiatives.



For more information on Deloitte NSE's sustainability strategy, 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 Deloitte NSE Impact Report, and the [Deloitte NSE sustainability](#) webpage.

Deloitte is pursuing a multi-faceted decarbonisation strategy and recently committed to achieving net-zero greenhouse gas (GHG) emissions by 2040. This commitment involves a two-phased approach: achieving near-term 2030 GHG reduction goals, followed by a recently announced worldwide target of reducing absolute emissions by over 90% by 2040, with remaining emissions addressed through carbon removals. The firm is developing a global net-zero transition plan which will be published in 2026.

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 net-zero carbon targets, supporting targets and broader environmental performance metrics, which contribute to several of the risks and opportunities and allow us to assess overall progress on climate. These represent key performance indicators (KPIs) as required by the CFD regulations.



Targets

Deloitte's net-zero targets are shown below and comprise near-term (2030) and long-term (2040) carbon reduction and supporting targets.

Near-term (2030) targets

- ▶ Reduce absolute Scope 1 and 2 GHG emissions by 70% by 2030 from a 2019 base year.
- ▶ Reduce Scope 3 GHG emissions from business travel by 55% per full time equivalent employee (FTE) 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 our suppliers to have 67% by emissions covering Purchased Goods and Services (PG&S), and business travel, set science-based targets by 2025.

Long-term (2040) targets

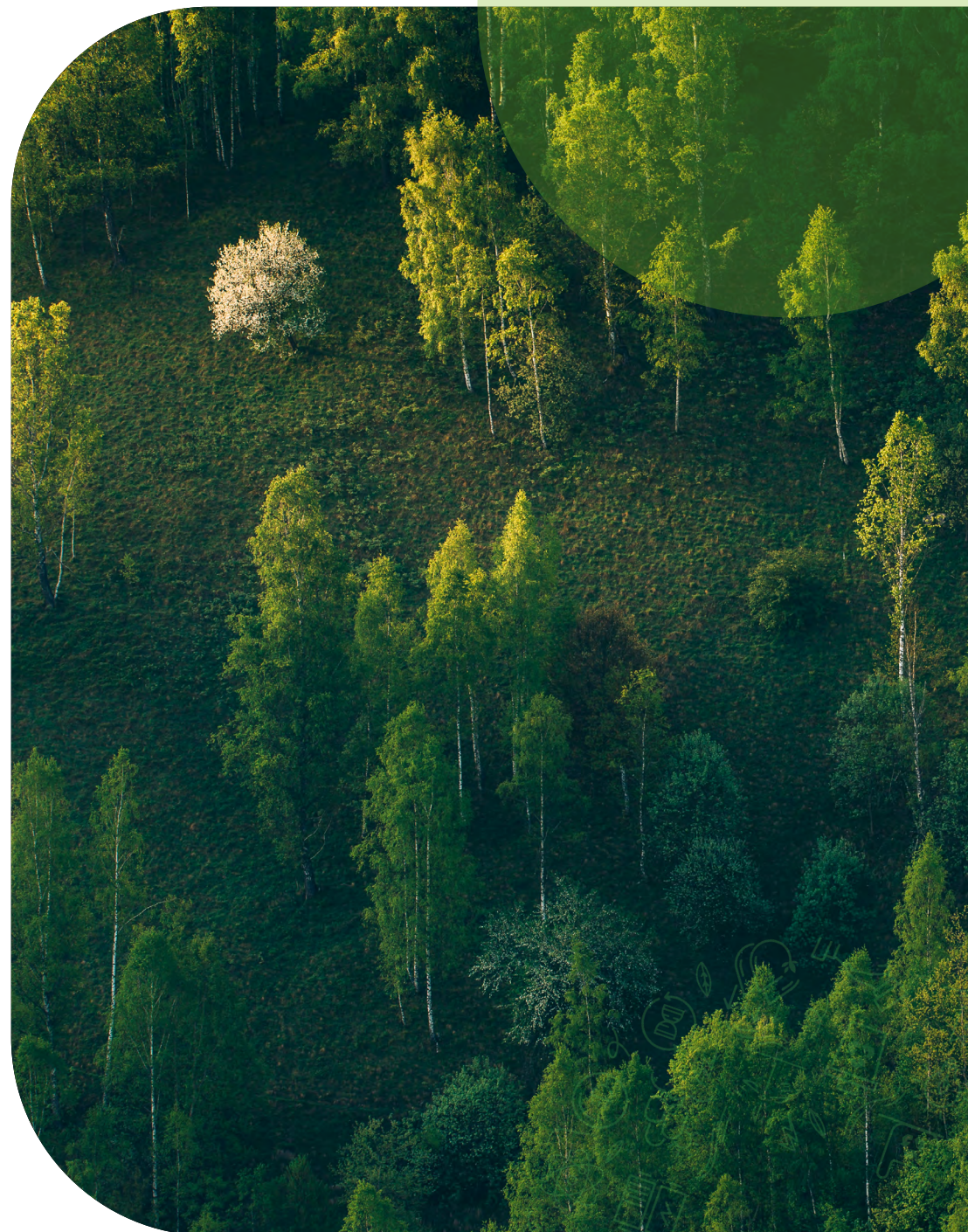
- ▶ Reduce absolute Scope 1, 2 and 3 GHG emissions 90% by 2040 from a 2019 base year.
- ▶ Address the remaining 10% of our emissions through the purchase of permanent carbon removals.

The table below outlines progress against Deloitte's net-zero targets and supporting targets over FY2025, with further commentary provided on [page 25](#). Figures shown are for the full NSE network scope (see [footnote 1](#) in the Introduction) and therefore differ from those in Deloitte NSE's statutory Energy & Carbon Report, for which the scope is the Deloitte NSE financially consolidated entities.

Net-zero and supporting targets*	2025	2024
Reduce absolute Scope 1, 2 and 3 emissions 90% by 2040	-6%	-4%
Reduce Scope 1 and 2 emissions by 70% by 2030	-69%	-65%
Reduce Scope 3 business travel emissions by 55% / FTE by 2030	-55%	-51%
100% of company vehicles to be EV/PHEV by 2030	69%	54%
100% of electricity to be from renewables by 2030	100%	100%
67% of strategic suppliers have set science-based targets by 2025**	32%	30%

*Figures against the first three targets show % change against the FY2019 baseline; figures against the other three targets show total %. Therefore baseline figures are not shown.

**Our supply chain target is tracked at a global level, where our core Procurement function sits. Strategic suppliers of all global Deloitte Member Firms, as well as globally shared suppliers, contribute to progress against this target.



Environmental performance metrics

In support of its headline targets, the firm reports annually on a set of environmental performance metrics in its impact reports. This includes energy and carbon metrics relevant to the risks and opportunities in this report.

The table below show NSE's Scope 1, 2 and 3 GHG emissions (in tCO₂e) and energy consumption (in kWh) for the reporting period (FY2025), measured against historical periods (including the baseline year of FY2019).

Deloitte NSE	2025	2024	2019 (baseline)	Difference to baseline
GHG Emissions (tCO ₂ e)				
Scope 1 – combustion of gas	2,475	2,930	5,184	-52%
Scope 1 – combustion of fuel for transport purposes	14,678	17,327	32,145	-54%
Scope 2 – electricity purchased for own use (location-based)	20,053	19,038	27,391	-27%
Scope 2 – electricity purchased for own use (market-based)	0	0	24,399	-100%
Scope 2 – district heating or cooling	2,956	2,051	2,419	22%
Scope 3 – business travel	66,323	72,656	96,041	-31%
Scope 3 – purchased goods and services (PG&S) [#]	172,772	171,032	111,278	55%
Scope 3 – commuting and homeworking	29,555	27,109	34,545	-14%
Total gross GHG emissions (location-based)*	308,812	312,143	309,003	0%
Total gross GHG emissions (market-based)	288,759	293,105	306,011	-5%
Total gross GHG emissions (market-based) per FTE	3.79	3.84	6.19	-39%
Certified Emission Reductions	144,380	104,144	74,047	-
Energy consumption – all sources (kWh)	193,994,778	199,054,075	284,689,712	-32%
FTEs (denominator for per FTE metrics) ^{††}	76,133	76,335	49,444	54%

Except where asterisked, metrics are subject to limited assurance at an NSE network level (see [footnote 1](#) in the Introduction) by the firm's auditors, in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) and ISAE 3410.

[#] We have recalculated and restated our prior period (FY24) PG&S emissions data. We do not expect there to be a material impact on FY19 (our baseline year), however we propose to revisit all PG&S data in FY26. See the [Reporting Methodology](#) section for details.

[†] The Full-Time Equivalents (FTE) data shown is sourced from Deloitte NSE internal management reporting. This is to ensure consistency of environmental reporting across Deloitte NSE. These amounts differ to the average monthly number of employees reported in the Deloitte NSE Financial Statements which are prepared on a different basis as required by The Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009. As such they are not audited, nor assured under the limited assurance engagement.

Performance Commentary

Scope 1, 2 and 3 (total) GHG emissions:- In support of our net-zero ambition, in late 2024, we set a goal to reduce absolute total emissions by 90% by 2040. From FY2025 we are reporting progress against this target.

In FY2025, total emissions have decreased by 6% compared to the FY2019 baseline. However, this reduction is lower than that reported in FY24. This is due to a reassessment of PG&S emissions based on improved visibility of underlying data, resulting in an increase in reported emissions within this category (see Reporting Methodology section for details). On an intensity basis, emissions reduction has been more positive. We have accommodated a 54% increase in FTEs since FY2019 with emissions per FTE having fallen by 39% during the same period.

We are confident that the foundational work undertaken this year sets us on a credible path towards our science-based net-zero by 2040 target. Throughout FY2025, we have maintained a strong focus on material emissions areas and laid the groundwork to accelerate our progress. This includes the establishment of a dedicated global net-zero taskforce responsible for the development of a network-wide net-zero transition plan, which will outline how we intend to transform our operations, practices, and culture to achieve our net-zero goals.

Scope 1 and 2 emissions:- We are on track to meet our 2030 target. In FY2025, Scope 1 and 2 emissions were down 69% on the baseline of FY2019.

Travel emissions per FTE:- We are on track to meet our 2030 target. In FY2025, travel emissions fell to 55% per full-time employee compared to the FY2019 baseline. Deloitte increased its travel emission reduction target from 50% to 55% in FY2025, following the update of the SBTi's near-term net-zero target requirements. We continue to encourage sustainable travel choices through policy and interventions such as the Sustainable Delivery Policy, and by providing clear and actionable data to inform decision-making through the Travel Dashboard and Travel Emissions Calculator.

Electric Vehicle/Plug-in Hybrid Electric Vehicle (EV/PHEV):

- We are on track to meet our 2030 target. In FY2025, 69% of Deloitte's vehicle fleet was electric or plug-in hybrid, up from 54% in FY2024. The energy consumption of the fleet was 32% 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.

Renewable electricity:- We are on track to meet our 2030 target. During FY2025, 100% of electricity consumption was renewable. 58% was sourced from certified renewable tariffs, while the remainder was covered by the purchase of Energy Attribute Certificates (EACs), which confirm that renewable energy has been generated and fed into the grid. Deloitte purchased EACs to cover all electricity procured on non-renewable tariffs by both the firm and by its landlords for supply to the firm.

Suppliers with science-based targets:- Globally, Deloitte's strategic suppliers with science-based targets increased from 8% to 32% (FY21–FY25), which is short of our target of 67% by 2025. While Deloitte is acting across our network to reduce our direct carbon emissions, our largest source of carbon emissions occurs indirectly through our supply chain. We did not meet our 2025 target, but we have taken meaningful steps to begin decarbonizing our supply chain: through targeted supplier engagement efforts, we continue to influence suppliers to set net-zero targets aligned with Deloitte's ambition, collaborate with them on emissions reduction, and work together to advance product-level emissions reporting. In addition, we have incorporated sustainability criteria into our procurement processes, expanded our supplier outreach and enhanced expectations for suppliers through our Responsible Procurement policy. Looking forward, working closely with our suppliers remains of critical importance to drive progress toward net-zero and we expect to revisit our near-term goals for our largest sources of emissions in line with the latest guidance and standards.



Reporting methodology

Overall approach

In preparing the GHG emissions and energy data in this report, Deloitte has followed the 2019 UK Government Environmental Reporting Guidelines. 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. Deloitte NSE's GHG emissions reporting boundary covers all entities and all facilities either owned or under the operational control of Deloitte NSE.

Detailed information on the firm's GHG reporting methodology, including application of the GHG Protocol standard can be found in the Deloitte NSE [GHG Emissions Basis of Reporting](#). An outline of key assumptions and changes in the FY2025 methodology is set out below.

We are committed to following developments in best practice and taking advantage of advances in data granularity and systems. As ESG reporting methods, standards and guidance evolve, and new data becomes available, we regularly review our reporting methodologies to align with best practice, improve data accuracy and support informed decision-making.

Purchased goods and services

The methodology for calculating purchased goods and services (PG&S) emissions is based largely on procurement spend data for six National Practices, accounting for 59% of PG&S emissions. 4% of PG&S emissions are actual supplier emissions data (Scopes 1 & 2) submitted to the Carbon Disclosure Project (CDP). The remainder of PG&S emissions are extrapolated.

We apply several assumptions to the spend data, including:

- how we allocate spend into procurement categories
- the CDP emission factors we apply to each procurement category
- how we treat our suppliers' reported Scope 3 emissions
- the factors used for extrapolation.

Since FY2019, we have made periodic changes to our methodology with the objective of improving data quality & completeness and reducing our use of estimates. Not all changes can be applied retrospectively, and this limits the comparability of current year reported emissions against the baseline year.

As part of this review, improved data visibility in FY2025 enabled us to identify spend data which had been incorrectly excluded from PG&S calculations. As a result, we have recalculated and restated our prior period (FY2024) PG&S emissions data. Following the review, we do not expect there to be a material impact on FY2019 (our baseline year); however, we propose to revisit all PG&S data again in FY2026.

We will continue to review our approach to PG&S emissions reporting in the future, investing in supporting systems, processes and controls. When this leads to a material change in a reported figure, we will explain the change and the reasoning for it, and either restate figures or report the variance compared to the previous methodology, as appropriate.



Energy consumption

Energy consumption represents the aggregate of:

- energy consumed by activities for which the firm is responsible involving gas combustion, or fuel consumption for transport purposes, and;
- energy consumed resulting from purchasing electricity, heat or cooling for own use, including electricity for the purposes of transport.

In line with GHG Protocol guidance, we publish purchased electricity emissions using both a location- and market-based methodology. The location-based method involves using an average national, regional or subnational emission factor that relates to the local grid from which electricity is drawn, whereas the market-based method involves deriving emissions factors from contractual instruments, allowing for a zero emission factor to be applied to portions of electricity consumption that is matched to a renewable energy source, resulting in lower emissions compared to the location-based method. Our net-zero goals use a market-based methodology for purchased electricity; this figure is the one used in the emissions inventory with the location-based figure alongside for comparative purposes.

Within Deloitte NSE, all electricity has either been purchased on REGO/REC-backed green tariffs or covered by the purchase of Energy Attribute Certificates (EACs). Under the market-based method this means our electricity consumption is reported as zero-emissions.

Where possible, we procure and claim renewable energy in accordance with the Climate Group's RE100 Technical Criteria. In certain markets where procuring renewable electricity is challenging or is not possible, we may procure renewable electricity from a neighbouring market. This allows us to demonstrate commitment to our renewable electricity target and signal market demand. As this approach meets only one out of three market boundary conditions included in the RE100 Technical Criteria, there may be variances between renewable electricity amounts reported here and within Deloitte's RE100 reports. We anticipate increasing the alignment with RE100 Technical Criteria over time as market availability of renewable energy increases.

Commuting and homeworking

Activity data on commuting and homeworking was sourced from surveys in 12 NSE National Practices in FY25. This represents an improvement on the six National Practices surveyed in FY2024. Questions were asked to establish split of working time between office, client site and home, home energy usage patterns/habits, commuting distances and modes. Sample sizes of these surveys were deemed to be statistically significant and therefore suitable for extrapolation out to the full FTE population of each geography.

The commuting and homeworking calculation relies on this extrapolation and on other assumptions, including on annual working patterns, and on home energy consumption benchmarks and trends. We will continue to refine these assumptions and improve the methodology moving forwards as guidelines develop.





Looking forward

Sustainability is a defining challenge for society and one of the largest growth opportunities we have in front of us as an organisation. Achieving net-zero by 2040 requires collaboration across Deloitte and the value chain. It entails a fundamental transformation to how we serve our clients, the technology we use to do our work, and the offices where we work.

In 2026, we expect to publish our network-wide net-zero transition plan. This plan will outline how we intend to transform our operations, practices, and culture to achieve our net-zero goals.

We will also continue to leverage our influence with clients and the broader market to play a key role in the societal transition to net-zero. As part of this, we are using our reach, capabilities and investments to tackle climate change, protect and restore nature, and drive societal impact through best practise 'Beyond Value Chain Mitigation' (BVCM) partnerships aligned to the latest science and emerging standards.

In addition, Deloitte acknowledges the need to continue evolve the quality and transparency of its disclosures. This remains a priority for FY2026.



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