

Carbon Reduction Plan

Supplier name: KPMG LLP UK

Publication date: 28 September 2021

Commitment to achieving Net Zero

KPMG LLP UK is committed to achieving Net Zero emissions by 2030. We have set a Science Based Target validated by the SBTi initiative.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: 2017																			
Additional Details relating to the Baseline Emissions calculations.																			
2017 was the most recent full year of carbon emissions data when we modelled our Science Based Target and has therefore been used as our baseline for all of our current and ongoing activities in this area. Emission data in our Annual Report is externally audited and assured by Grant Thornton. Our Scope 3 emissions below were modelled as part of the development of KPMG UK's Science-Based Target.																			
Baseline year emissions: 2017																			
EMISSIONS	TOTAL (tCO₂e)																		
Scope 1	3374																		
Scope 2	2924																		
Scope 3 (Included Sources)	210,901 Our Scope 3 emissions breakdown is as follows: <table border="1"><tr><td>1. Purchased goods and services</td><td>153,962</td></tr><tr><td>2. Capital goods</td><td>N/A*</td></tr><tr><td>3. Fuel and energy related activities</td><td>3,057</td></tr><tr><td>4. Upstream transportation & distribution</td><td>94</td></tr><tr><td>5. Waste generated in operations</td><td>61</td></tr><tr><td>6. Business travel</td><td>48,420</td></tr><tr><td>7. Employee commuting</td><td>5,307</td></tr><tr><td>8. Upstream leased assets</td><td>N/A</td></tr><tr><td>9. Downstream transportation & distribution</td><td>N/A</td></tr></table>	1. Purchased goods and services	153,962	2. Capital goods	N/A*	3. Fuel and energy related activities	3,057	4. Upstream transportation & distribution	94	5. Waste generated in operations	61	6. Business travel	48,420	7. Employee commuting	5,307	8. Upstream leased assets	N/A	9. Downstream transportation & distribution	N/A
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	10. Processing of sold products	N/A
	11. Use of sold products	N/A
	12. End-of-life treatment of sold products	N/A
	13. Downstream leased assets	N/A
	14. Franchises	N/A
	15. Investments	N/A
	*To remove double counting from our Scope 3 emissions, Capital Goods has been included within Purchased Goods and Services.	
Total Emissions	217,199	

Current Emissions Reporting

Reporting Year: 2020*																															
*Updated figures available from December 2021, aligned with KPMG's annual reporting																															
EMISSIONS	TOTAL (tCO₂e)																														
Scope 1	2,451.197																														
Scope 2	946.441 (market-based)																														
Scope 3 (Included Sources)	<p>145,752</p> <p>Our Scope 3 emissions breakdown is as follows:</p> <table border="1"> <tr> <td>1. Purchased goods and services</td> <td>128,873</td> </tr> <tr> <td>2. Capital goods</td> <td>N/A*</td> </tr> <tr> <td>3. Fuel and energy related activities</td> <td>2553.207</td> </tr> <tr> <td>4. Upstream transportation & distribution</td> <td>8</td> </tr> <tr> <td>5. Waste generated in operations</td> <td>27.92</td> </tr> <tr> <td>6. Business travel</td> <td>12,808.9</td> </tr> <tr> <td>7. Employee commuting</td> <td>1,482</td> </tr> <tr> <td>8. Upstream leased assets</td> <td>N/A</td> </tr> <tr> <td>9. Downstream transportation & distribution</td> <td>N/A</td> </tr> <tr> <td>10. Processing of sold products</td> <td>N/A</td> </tr> <tr> <td>11. Use of sold products</td> <td>N/A</td> </tr> <tr> <td>12. End-of-life treatment of sold products</td> <td>N/A</td> </tr> <tr> <td>13. Downstream leased assets</td> <td>N/A</td> </tr> <tr> <td>14. Franchises</td> <td>N/A</td> </tr> <tr> <td>15. Investments</td> <td>N/A</td> </tr> </table> <p>*To remove double counting from our Scope 3 emissions, Capital Goods has been included within Purchased Goods and Services.</p>	1. Purchased goods and services	128,873	2. Capital goods	N/A*	3. Fuel and energy related activities	2553.207	4. Upstream transportation & distribution	8	5. Waste generated in operations	27.92	6. Business travel	12,808.9	7. Employee commuting	1,482	8. Upstream leased assets	N/A	9. Downstream transportation & distribution	N/A	10. Processing of sold products	N/A	11. Use of sold products	N/A	12. End-of-life treatment of sold products	N/A	13. Downstream leased assets	N/A	14. Franchises	N/A	15. Investments	N/A
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Total Emissions	149,149
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Emissions reduction targets

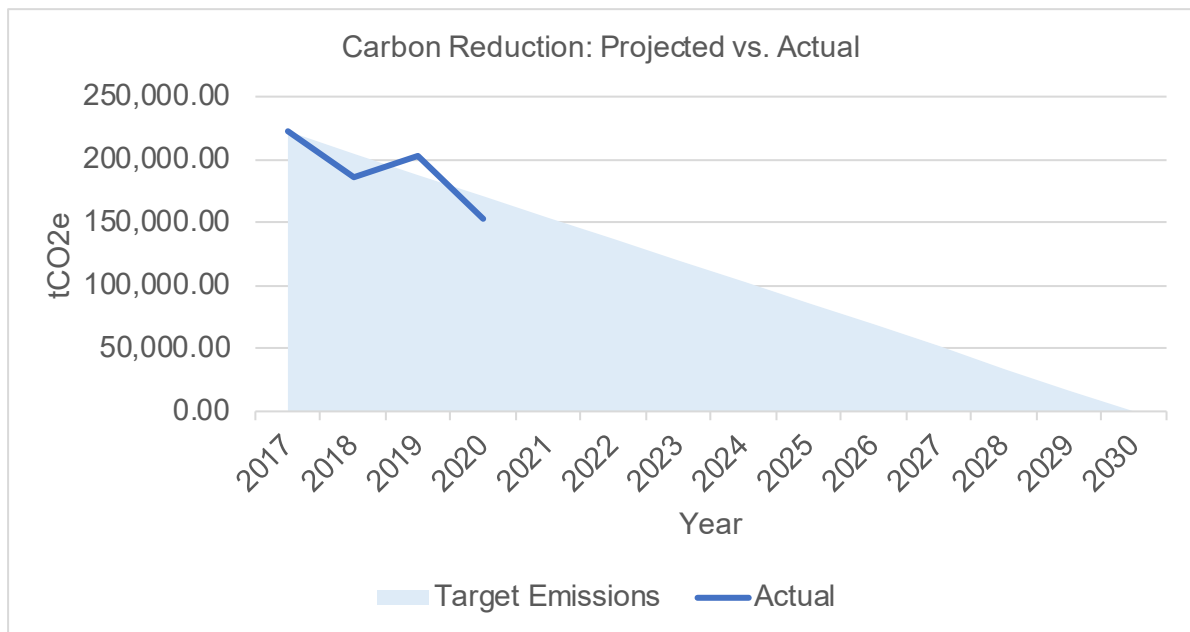
KPMG LLP UK have set a Science Based Target validated by the SBTi. The targets covering greenhouse gas emissions from company operations (scopes 1 and 2) are consistent with reductions required to keep warming to 1.5°C. In line with the SBTi standard, we have also set an ambitious target for scope 3 as our scope 3 emissions are higher than 40% of total emissions.

In order to continue our progress to achieving Net Zero by 2030, we have adopted the following carbon reduction targets:

KPMG LLP UK commits to reduce absolute scope 1 and 2 GHG emissions 100% by 2030 from a 2017 base year and scope 3 emissions 25% over the same timeframe.

We project that carbon emissions will **decrease over the next five years to 184,816 tCO₂e by 2025. This is a reduction of 17%**. Please note that due to the impact of the pandemic on our operating model, our current reported emissions are below this level, however we expect that as the effects of the pandemic lessen, some categories of our emissions may return to nearer pre-Covid levels.

Progress against these targets can be seen in the graph below:



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2017 baseline. **The carbon emission reduction achieved by these schemes equate to 69,539 tCO₂e, a 31.3% reduction against the 2017 baseline** and the measures will be in effect when performing the contract.

Our emissions in FY20 dropped by 58% compared to the previous year. While this is partly because of government restrictions and advice to work remotely where possible, our emissions were already on a downward trajectory.

Implemented carbon reduction projects include:

Strategic:

- *Certification to ISO50001 Energy Management System for UK operations*
- *Certification to ISO14001 Environment Management System for UK operations*
- *Approval of Science Based Target from Science Based Target Initiative (SBTi)*
- *Implementation of remote working collaboration technologies reducing business travel*
- *Updates to our travel policy, mandating rail on certain routes and changes to Business class routes*
- *Launching travel management tool to allow employees to select greener travel choices*
- *Working with our landlords to switch to renewable electricity*
- *Measured supply chain emissions as part of our SBT. Engaging 100+ suppliers collaborating to reduce our collective emissions*
- *Engaging our employees to adopt sustainable behaviours in their homes and in the workplace*

Energy reduction projects:

- *Removal of our Watford data centre to a purpose-built offsite facility*
- *Installation of LED lighting and lighting upgrades across our estate*
- *Efficient plant replacement across the estate – continual audits to check efficiency of plant*
- *Advanced Building Management Systems controlling energy consumption*

In the future we hope to implement further measures such as:

- *Continuing to switch our landlord electricity supply to renewable energy*
- *Switching to renewable gas when it becomes widely available in the market*

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:

A handwritten signature in black ink, appearing to read 'Tim Jones'.

Tim Jones, UK Chief Operating Officer

Date: 6th September 2021

¹ <https://ghgprotocol.org/corporate-standard>

² <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

³ <https://ghgprotocol.org/standards/scope-3-standard>