



UK Planet Impact Report 2022

In respect of the year ended 30 September 2022



January 2023 | kpmg.com/uk/ourimpact

Our planet data

In the reporting period, we have seen our gas consumption increase by 6% and our electricity consumption increase by 18%. This reflects the shift from a predominantly remote working model to our hybrid working, with more colleagues returning to work in our offices. Similarly, our business travel across all forms of transport has increased significantly due to the lifting of travel restrictions and the ability for our colleagues to recommence travel to client sites where necessary. However, energy consumption and business travel is still below pre-pandemic (2019) levels. During the pandemic, we saw an increase in water consumption due to a requirement for regular flushing of facilities to avoid the risk of water-borne diseases from stagnant water, because bathroom and catering facilities were being used considerably less. Since returning to the office, this year we have seen a reduction in our water consumption by 22%.

We continue to use collaboration technologies such as Microsoft Teams to work remotely and we're supporting colleagues to make sustainable travel choices through our greening travel strategy. This year we launched our individual traveller dashboards where colleagues can see the carbon impact of their own travel and compare against that of their peers.

We have continued to work to reduce our energy consumption and our carbon emissions where possible through certification to ISO5001 and ISO14001.

We also continue to purchase renewable energy for our managed estate, and this year took the decision to purchase additional Guarantees of Origin from renewable sources to cover all of our electricity consumption within landlord managed offices that weren't already procuring REGO-backed renewable electricity from April 2022. We're pleased to report 99% of the electricity we consume is now backed by REGOs and we continue to engage our landlords to transition over to procuring REGO-backed renewable electricity themselves.



99% of the electricity we consume is renewable



Our planet data

Continued

	2022*	2021*	2020*	2019*	2018#	2017#
Scope 1						
Natural gas (kWh)	8,973,212	8,431,803	11,349,922	12,031,497	12,908,266	11,126,743
Natural gas (kgCO ₂ e)	1,639,663	1,544,324	2,086,910	2,211,991	2,374,605	2,049,145
KPMG owned/leased car travel (kWh)	414,334	156,241	1,525,469	^	^	^
KPMG owned/leased vehicles (kgCO ₂ e)	103,549	38,409	364,287	906,271	1,207,723	1,325,004
Total – Scope 1 (kgCO₂e)	1,743,212	1,582,733	2,451,197	3,118,262	3,582,328	3,374,149
Scope 2						
Electricity consumption (kWh)	19,870,861	16,776,352	18,445,331	23,382,774	23,280,460	26,411,803
Electricity emissions (location-based) (kgCO ₂ e)	3,933,653	3,562,123	4,300,345	5,981,898	6,590,000	9,285,333
Electricity emissions (market-based) (kgCO ₂ e)	80,923	957,072	946,441	1,117,083	2,428,808	3,247,760
Total – Scope 2 (market-based) (kgCO₂e)	80,923	957,072	946,441	1,117,083	2,428,808	3,247,760
Total – Scope 1 & 2 emissions (location-based) (kgCO₂e)	5,676,865	5,144,856	6,751,542	9,100,160	10,172,328	12,659,482
Total – Scope 1 & 2 emissions (market-based) (kgCO₂e)	1,824,135	2,539,805	3,397,638	4,235,345	6,011,136	6,621,909

Please refer to the reporting method statement for full definitions and methodologies.

* Denotes financial year.

Denotes calendar year.

^ SECR emission conversion factors for km to kWh were only introduced in 2020 in response to the requirements of the new Streamlined Energy and Carbon Reporting (SECR).

Our planet data

Continued

	2022*	2021*	2020*	2019*	2018#	2017#
Scope 3						
Air travel – domestic (kgCO ₂ e)	415,353	44,102	788,569	2,256,767	2,684,882	2,086,554
Air travel – short (kgCO ₂ e)	505,541	19,296	1,140,324	2,901,549	3,519,208	3,112,774
Air travel – long (kgCO ₂ e)	5,555,853	704,258	9,385,770	26,370,482	30,060,850	26,112,260
Air travel – international (kgCO ₂ e)	747,772	265,275	1,494,238	3,428,170	3,676,838	3,050,130
Air travel – total (kgCO₂e)	7,224,519	1,032,931	12,808,901	34,956,968	39,941,778	34,361,717
Rail travel (kgCO ₂ e)	371,539	33,449	565,113	1,570,335	1,964,556	1,229,001
Business-related car travel (kgCO ₂ e)	519,326	104,392	1,097,768	2,287,572	2,404,447	2,476,743
Transmissions and distribution electricity (kgCO ₂ e)	356,799	315,228	369,829	507,406	561,757	868,156
Well to tank (kgCO ₂ e)	1,325,574	421,790	2,163,378	5,234,537	5,691,862	5,287,214
Total – Scope 3 (kgCO₂e) not including Purchased Goods and Services	9,797,757	1,907,790	17,004,988	44,556,818	50,564,401	44,222,831
Purchased Goods and Services ¹	-	74,284,259	109,038,076	128,873,000	153,962,000	~
Total – Scopes 1, 2 & 3 (market-based)	11,621,892	4,447,595	20,402,626	48,792,164	56,575,536	54,362,431
Total – Scopes 1, 2 & 3 (location-based)	15,474,622	7,052,646	23,756,530	53,656,978	60,736,729	56,882,313
Full-time equivalent workers ²	16,425	14,896	15,806	16,472	14,587	13,969
Intensity ratio - Scopes 1 & 2 (location-based) (kgCO₂e/FTE)	346	345	427.15	552.46	697.36	906.26
Intensity ratio - Scopes 1, 2 & 3 (location-based) (kgCO₂e/FTE)	942	473	1,503	3,257	4,088	4,072

Please refer to the reporting method statement for full definitions and methodologies.

* Denotes financial year.

Denotes calendar year.

~ 2018 was the first year that we measured and reported our Purchased Goods and Services emissions.

1 Purchased goods and services data is reported a year in arrears.

2 This figure includes Partners, staff and contractors.

Our planet data

Continued

	2022*	2021*	2020*	2019*	2018#	2017#
Additional disclosures						
Water (litres)	95,163,045	122,115,392	85,045,161	96,244,248	100,917,922	118,231,977
Paper (sheets)	1,339,850	1,697,875	19,034,000	35,808,000	39,866,875	46,781,575
Waste						
Total waste (kg)	1,497,969	538,000	1,336,920	1,969,074	2,642,252	2,813,597
Recycled waste (kg)	1,206,545	470,000	1,052,170	1,693,788	2,187,625	2,378,090
% waste recycled	81	87	79	86	83	85

Please refer to the reporting method statement for full definitions and methodologies.

* Denotes financial year.

Denotes calendar year.

Our planet impact reporting method statement

Scope of the report

Performance data included within this report relates to:

KPMG activity in the UK excluding Gibraltar and the Channel Islands that we had financial control over as of 30 September 2022.

Setting revised baselines

Our policy on environmental and community impact data is that we will:

- Correct any identified errors >1% of the individual KPIs.
- Conduct an annual review of changes to our operating structure and re-baseline (where required) using actual or estimated data if any of the changes, or the cumulative effect of the changes, are deemed to be quantitatively or qualitatively material.

How we report our Key Performance Indicators (KPIs)

This section of the report outlines the basis of preparation of the key environmental performance indicators.

Standards and guidance

Our methodology for the reporting of GHG emissions has been developed using the following guidance and standards:

- GHG Protocol standards and guidance, including the Corporate Standard, Scope 2 Guidance and Scope 3 Calculation Guidance; and

- CDP Climate Change 2022 Reporting Guidance.

Environmental overview

We report energy and GHG emissions data for the following indicators:

- Energy consumption by fuel source (in kWh);
- Energy consumption by type (in kWh);
- Renewable electricity consumption (as a percentage of total grid electricity supplied);
- Scope 1 GHG emissions (in carbon dioxide equivalent (kgCO₂e));
- Scope 2 GHG emissions (in kgCO₂e) using both the location and market-based methods of calculation;
- Scope 3 GHG emissions (in kgCO₂e) for fuel- and energy- related activities as well as business-related car travel, rail travel, air travel and purchased goods and services – these categories are included based upon their materiality to business emissions, an assessment of which took place as part of our Science-Based Target development. Purchased goods and services and business travel make up the majority of KPMG’s Scope 3 GHG emissions – purchased goods and services will be included within the Scope 3 reporting section, but not as part of Scope 3 total emissions;

- Total GHG emissions for Scope 1 and 2 (in CO₂e) for both location and market-based methods of calculation;
- Total GHG emissions for Scope 1, 2 and 3 (in CO₂e, excluding Purchased Goods and Services) for both location-based and market- based methods of calculation;
- Total annual GHG emissions per FullTime Equivalent worker (in kgCO₂e/FTE). This includes Partners, staff and contractors.

Data gathering process and methods

We use an electronic data collection process to gather our data. Electricity, gas and water usage data is based on invoices from our utility suppliers. Where data does not match our reporting period exactly – for example, where we only have 11 months of usage data – we perform forecast calculations using extrapolation. For sites where energy invoices are unavailable, we estimate this information based on typical site consumption from known data within our portfolio.

Increasingly, we measure our energy consumption through smart metering, a technology that uses mobile communications to collect real-time consumption data from energy meters. This year we conducted a review of every meter across each of our sites to allow for more granular data collection. We work with our landlords on a monthly basis to identify any data gaps and encourage comprehensive data collection. We are also working with our energy management bureau to ensure our meter register represents a holistic view of the billing meters used by our landlords in addition to our direct purchase supply meters.

Travel data is collated by KPMG’s Travel Management Company and by KPMG’s Expenses team in km and spend, with appropriate Department for Business, Energy and Industrial Strategy (BEIS) emissions factors used to calculate kgCO₂e figures – this is for cars, rail and air travel.

Waste data is provided by the KPMG Soft Services team, received from third-party contractors responsible for this, pertaining to office waste, furniture waste, archived paper destruction and paper consumption.

Scope 3 purchased goods and services data is received from suppliers responding to the CDP Supply Chain module at our request, and through spend data that is provided by KPMG’s Procurement Team and captured through COUPA.

Application of BEIS emission conversion factors

Emissions are calculated using a kWh to CO₂e conversion factor provided by the UK government’s Department for Business, Energy and Industrial Strategy (BEIS) for each calendar year. Where the reporting year spans two calendar years, the correct emission conversion factor has been applied to each month of the reporting year.

Our planet impact reporting method statement

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Renewable electricity definition

Our figures for renewable electricity include all renewable electricity from third-party renewable suppliers which is traceable to KPMG through a signed contract or provision of surrendered renewable energy certificates (RECs).

Scope 1

These are emissions within our direct control and include those from:

- Diesel, petrol and other fuel used by cars owned by KPMG or leased for six months or more;
- Natural gas used for space heating and hot water in our premises;

BEIS conversion factors have been used to calculate GHG emissions.

Due to how KPMG UK reports car expenses claims, it is not possible to distinguish if an expense claim submitted under the option of 'Electric' is fully electric or a hybrid electric vehicle. As a result, to ensure no understatement takes place due to an incorrect assumption, the decision has been made to calculate emissions for these vehicles on the principle that they are all hybrid electric vehicles. This has consequently involved using the plug-in hybrid electric vehicle conversion factor provided by BEIS for this calculation.

We will continue to assess the materiality of our fugitive emissions to ascertain whether we should disclose these alongside our Scope 1 reporting in the future.

Scope 2

These are emissions from electricity purchased to power our offices.

We report two different Scope 2 emission values: one using a 'location-based' method and one using a 'market-based' method. The location-based method involves using an average emissions factor that relates to the grid on which energy consumption occurs. This usually relates to a country-level electricity emissions factor. The market-based method applies if the company has operations in any markets where there are Renewable Energy Guarantees of Origin (REGOs) or supplier-specific information is available. The method involves using an emissions factor that is specific to the electricity purchased.

Location-based emissions

Emissions are calculated using a kWh to CO₂e conversion factor provided by BEIS for each calendar year.

Market-based emissions

Emissions are calculated using a kWh to CO₂e conversion factor based on one of the following sources (in order of priority):

- Supplier conversion factors specific to our contract; these include some markets where supplies are 100% renewable, and where this is the case, we have sought evidence of singularity of supply; and
- UK residual mix carbon conversion factors from Association of Issuing Bodies (AIB).

Scope 1 & 2 Common Parts Data

This year, we have worked closely with our landlords to capture and analyse gas and electricity consumption in common parts areas across multi-occupied sites. Traditionally this has been billed through service charges, with no visibility of the kWh consumption. This is an ongoing and challenging project, as reporting on this level of detail is new for the majority of landlords and has not been requested by other tenants. However, we are pleased that we have made substantial progress this year and capturing this data provides a more complete picture of our overall consumption. We will continue to progress this challenging project over the course of the next financial year.

Scope 3

As part of developing our Science Based Target, we conducted an in-depth analysis of our Scope 3 emissions. These are indirect emissions that we do not directly control but that we may be able to influence.

Scope 3 emissions reporting include emissions from our suppliers in providing us with goods and services; as well as business travel, indirect supply of fuel (well to tank) and transmission and distribution of electricity.

For business travel, when an user submits an expense claim, there are instances of KPMG employees not assigning a 'public transport type' to their journey. To ensure no understatement takes place, where a transport field is blank, an assumption is made that this is a rail journey.

Business-related car travel emissions are calculated using the number of kilometres travelled by colleagues using their personal vehicles for business-related activity. Taxis are not included due to lack of available data on distance travelled, and owned and leased vehicle emissions are captured in Scope 1.

Purchased goods and services data is reported a year in arrears. Historically, data was obtained through our suppliers responding to CDP Supply Chain module and extrapolated to cover our total supply chain based on supplier spend, using a spend methodology. This data was reported and validated in the CDP process. This did not take into account differences in carbon intensities by sector, so this year we have enhanced our methodology using CDP's sectoral averages.

Purchased Goods and Services emissions have been reported using a hybrid approach:

Supplier allocated emissions

Where suppliers have allocated emissions to KPMG through the CDP Supply Chain Module, these have been used.

Supplier data disclosed through CDP

Through the CDP Supply Chain programme, suppliers submit primary emissions and performance data. Where suppliers have not allocated emissions to KPMG, but have responded to CDP, their disclosed emissions and revenue are used to calculate a supplier-specific intensity factor for their Scope 1, Scope 2 and Scope 3 emissions. This is then multiplied by KPMG spend with the supplier to calculate the emissions that should be

Our planet impact reporting method statement

Continued

allocated to KPMG. If a supplier disclosure is incomplete, the remaining emissions are calculated using the sector average emissions factors below.

Where available, the disclosed market-based Scope 2 emissions are used to reflect renewable electricity purchases. Location-based Scope 2 emissions are used in the instances that suppliers have not disclosed market-based Scope 2 emissions.

The above two methodologies have been used for 62% of supplier emissions. For the remaining 38%, the below methodology has been adopted.

CDP sector average emissions factors

CDP owns and controls one of the largest databases of primary corporate environmental data in the world and has used the data disclosed to them to curate a list of sector average emissions. Where supplier-specific emissions and/or revenue is not available, emissions have been calculated using the CDP sector average emissions factors.

Each category of KPMG supplier spend for the reporting period is mapped against the most relevant CDP Industry, Activity Group or Activity. In the instances where CDP does not have an average emissions factor for the most granular level (Activity), the next tier up is used (Activity Group). KPMG spend for each supplier is then multiplied against the CDP Scope 1&2 and Scope 3 emissions factors to calculate KPMG emissions related to the purchase of that product or service.

This year, we have delivered a comprehensive programme of webinars, one-to-one sessions and detailed guides for our suppliers in collaboration with CDP, to engage our suppliers in measuring, reporting and allocating their emissions. We will continue to engage our suppliers and work with them to improve the quantity and accuracy of allocated emissions.

We will continue to review Scope 3 emissions reporting as reporting requirements evolve.

Waste data

The waste data that we report on is based on data provided from our approved waste management contractors. Data is provided on a monthly basis and for individual waste streams including general waste, dry mixed recycling, confidential paper disposal and waste associated with refurbishment activities in our office spaces. Weight data for scheduled collections of general waste and dry mixed recycling are based on industry averages for container sizes, multiplied by the number of collections made.

Recycling data includes recyclable material collected from site, supported with documentation confirming the material status as recyclable through detail of recycled tonnage in the annual waste report provided by the waste broker, subsequently treated as recyclable material without contamination and reported to KPMG as recycled.

Waste sent for Energy from Waste (EfW) is excluded from recycling data and documentation is provided to support EfW as the end fate of waste material collected from site classified as general waste.

Paper data

Paper data relates to number of sheets of paper purchased within the reporting period substantiated by procurement records.

Water data

Water data relates to consumption of water through actual data from metered supplies. Where actual data does not exist or where data is extrapolated this is estimated based on the typical consumption of a KPMG office using known data sets from bills – this is data provided directly to the business by landlord managing agents.

Independent limited assurance report

Grant Thornton UK LLP (“Grant Thornton” or “we”) were engaged by KPMG LLP (“KPMG”) to provide limited assurance over the Subject Matter Information described below.

Limited assurance conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of this report.

Subject Matter Information

The scope of our work was limited to assurance over selected aspects of the KPMG LLP UK Planet Impact Report 2022 (“the Report”) for the year ended 30 September 2022 listed at the end of our report (“the Subject Matter Information”).

Our assurance does not extend to any other information that may be included in the Report for the current year or for previous periods unless otherwise indicated.

Reporting Criteria

The Reporting Criteria used for the measurement or evaluation of the Subject Matter Information and to form our judgements are KPMG’s Our Planet impact reporting method statement as set out as an Appendix of the Report (‘the Reporting Criteria’).

Inherent limitations

The absence of a significant body of established practice on which to draw to measure or evaluate the Subject Matter Information allows for different, but acceptable, measurement or evaluation techniques and can affect comparability between entities and over time. In particular we draw attention to the methodologies and assumptions based limitations KPMG have disclosed in the Reporting Criteria.

Members’ responsibilities

The Members of KPMG are responsible for:

- the design, implementation and maintenance of internal control relevant to the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or establishing suitable Reporting Criteria;
- measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and
- the preparation of the Report and the Reporting Criteria and their contents.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria;
- forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to KPMG.

Our independence, professional standards and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Control (UK) 1, “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” and accordingly we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent limited assurance report

Continued

Assurance standards and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits and Reviews of Historical Financial Information" ("ISAE 3000 (Revised)"), and in respect of the greenhouse gas emissions information included within the Subject Matter Information, in accordance with International Standard on Assurance Engagements 3410 – "Assurance Engagements on Greenhouse Gas Statements" ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board ("IAASB"). These standards require that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

Work performed

Considering the circumstances of the engagement our work included, but was not restricted to:

- assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;

- assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- conducting interviews with relevant KPMG management and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- evaluating the competence and independence of the KPMG internal audit team who performed their own selected limited substantive testing on the Subject Matter Information, including agreeing a selection of the Subject Matter Information to corresponding supporting information;
- reperformance of a selection of the KPMG internal audit team's limited substantive testing;
- performing selected limited substantive testing including agreeing a selection of the Subject Matter Information to corresponding supporting information;
- considering the appropriateness of selected carbon conversion factors and other unit conversion factor calculations used by KPMG to prepare the Subject Matter Information including by reference to widely recognised and established conversion factors;
- evaluating the overall presentation of the Subject Matter Information; and
- reading the Report and narrative accompanying the Subject Matter Information in the Report with regard to the Reporting Criteria, and for consistency with our findings.

Intended use of this report

This limited assurance report, including our conclusion, is made solely to KPMG in accordance with the terms of the agreement between us. Our work has been undertaken so that we might state to KPMG those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.

To the fullest extent permitted by law, we do not accept or assume responsibility and deny any liability to any party other than KPMG for our work or this report, including our conclusion.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants
Cambridge

Date: 16/12/2022

The maintenance and integrity of KPMG's website is the responsibility of the Members; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information, the Report or the Reporting Criteria presented on KPMG's website since the date of our limited assurance report.

Independent limited assurance report

Continued

Appendix 1

Subject Matter Information	Units	2022
Scope 1 – Natural gas and KPMG owned/lease vehicles	kgCO ₂ e	1,743,212
Scope 2 – Electricity emissions (location-based)	kgCO ₂ e	3,933,653
Scope 2 – Electricity emissions (market-based)	kgCO ₂ e	80,923
Total Scope 1 & 2 emissions (location-based)	kgCO ₂ e	5,676,865
Total Scope 1 & 2 emissions (market-based)	kgCO ₂ e	1,824,135
Scope 3 – Emissions from business-related car travel, rail travel and air travel	kgCO ₂ e	8,115,384
Scope 3 – Well to tank	kgCO ₂ e	1,325,574
Scope 3 – Transmission and distribution electricity	kgCO ₂ e	356,799
Total Scope 3 (not including purchased goods and services)	kgCO ₂ e	9,797,757
Total Scope 1, 2 & 3 emissions (location-based)	kgCO ₂ e	15,474,622
Total Scope 1, 2 & 3 emissions (market-based)	kgCO ₂ e	11,621,892
Intensity ratio – Scopes 1 & 2 (location-based)	kgCO ₂ e/FTE	346
Emissions per employee (location-based)	kgCO ₂ e/FTE	942
Total Scope 1 natural gas and firm owned/leased vehicles	kWh	9,387,546
Total Scope 2 electricity consumption	kWh	19,870,861
Total water consumption	litres	95,163,045
Total paper usage	sheets	1,339,850
Total waste	kg	1,497,969
Recycled waste	kg	1,206,545
% waste recycled	%	81%



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