



# Carbon reduction plan

Supplier name: KPMG LLP UK  
Publication date: 31 January 2023



## 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.

Our emissions across Scopes 1, 2 and 3 (excluding purchased goods and services) are externally audited and assured by Grant Thornton and published on our ESG reporting hub – [Our Impact](#). Our Scope 3 emissions for our baseline year were modelled as part of the development of KPMG UK’s Science-Based Target.

Our annual reporting is fully aligned with the GHG protocol and as such, tracks material sources of emissions, which for KPMG UK LLP include Scope 3 emissions from purchased goods and services and business travel. Our emissions relating to purchased goods and services are calculated based on allocated emissions from our suppliers obtained through responses to the supply chain module during the annual CDP process.

The emissions disclosed in this document may differ slightly from those in our externally assured report as we have disclosed emissions from additional Scope 3 categories within the Carbon Reduction Plan, for both our baseline year and reporting year, to ensure complete alignment with the requirements of Procurement Policy Note 06/21. The additional categories reported on within the Carbon Reduction Plan include emissions from waste generated in operations and employee commuting.



# Baseline emissions

## Baseline year emissions: 2017

Emissions	Total (tCO <sub>2</sub> e)
Scope 1	3,374
	Natural gas: 2,049
	KPMG owned / leased vehicles: 1,325
Scope 2 (market-based)	2,924
Scope 2 (location-based)	9,285
Scope 3 (included sources)	210,901

Our scope 3 emissions breakdown is as follows:

Emissions	Total (tCO <sub>2</sub> e)
1. Purchased goods and services	153,962
2. Capital goods	N/A*
3. Fuel and energy related activities	3,057
4. Upstream transportation and distribution	94
5. Waste generated in operations	61
6. Business travel including RF	48,420
7. Employee commuting	5,307**
8. Upstream leased assets	N/A
9. Downstream transportation and 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

\* To remove double counting from our Scope 3 emissions, Capital Goods has been included within Purchased Goods and Services.

\*\* Employee commuting based on survey data and modelling of known office attendance.

\*\*\* Category 9 (downstream transportation and distribution) is not relevant to KPMG as we do not produce or sell any physical products to transport/distribute. The only transportation that occurs is through paid-for courier services and carbon emissions associated with this are included in category 4.

<b>Total Emissions (market-based)</b>	<b>217,199</b>
<b>Total Emissions (location-based)</b>	<b>223,560</b>

# Current emissions reporting

Reporting year: 2022

Emissions	Total (tCO <sub>2</sub> e)
Scope 1	1,743
	Natural gas: 1,640
	KPMG owned / leased vehicles: 104
Scope 2 (market-based)	81
Scope 2 (location-based)	3,934
Scope 3 (included sources)	85,807

Our scope 3 emissions breakdown is as follows:

Emissions	Total (tCO <sub>2</sub> e)
1. Purchased goods and services	74,284
2. Capital goods	N/A*
3. Fuel and energy related activities	1,682
4. Upstream transportation and distribution	1,010
5. Waste generated in operations	33
6. Business travel including RF	8,115
7. Employee commuting	684**
8. Upstream leased assets	N/A
9. Downstream transportation and 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

\* To remove double counting from our Scope 3 emissions, Capital Goods has been included within Purchased Goods and Services.

\*\* Employee commuting based on survey data and modelling of known office attendance.

\*\*\* Category 9 (downstream transportation and distribution) is not relevant to KPMG as we do not produce or sell any physical products to transport/distribute. The only transportation that occurs is through paid-for courier services and carbon emissions associated with this are included in category 4.

<b>Total Emissions (market-based)</b>	<b>87,631</b>
<b>Total Emissions (location-based)</b>	<b>91,4840</b>

# 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:

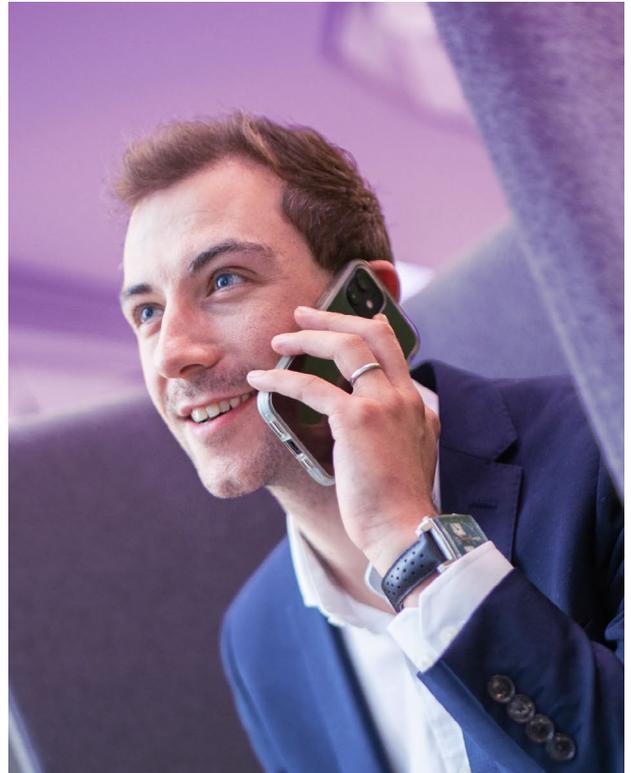
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**KPMG LLP UK commits to reduce absolute scope 1 and 2 GHG emissions 100% by 2030 from a 2017 base year and scope 3 emissions 25% over the same timeframe.**

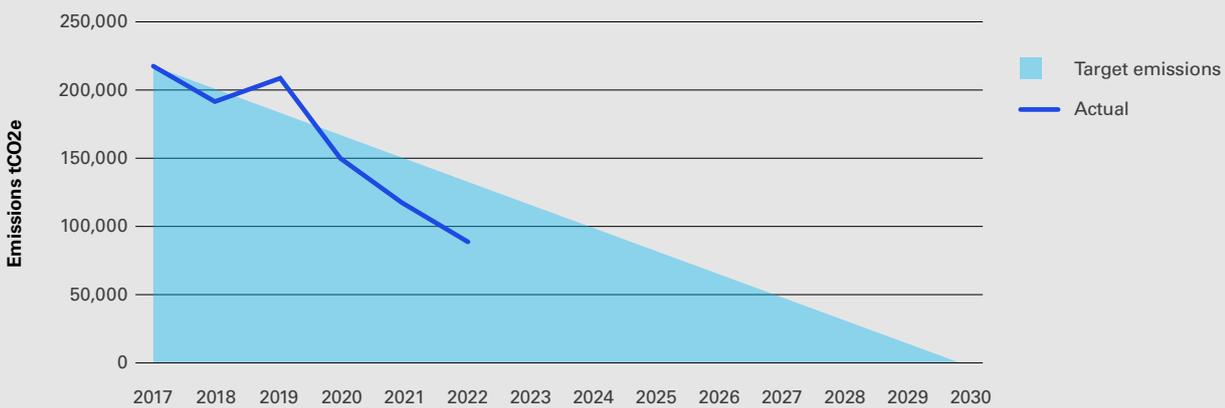
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We project that total Scope 1, 2 and 3 carbon emissions (including emissions from purchased goods and services) will **decrease over the next five years to 46,049 tCO<sub>2</sub>e by 2027. This is a reduction of 21% from our 2017 baseline.** Please note that due to the impact of the Covid-19 pandemic on our operating model, our current reported emissions are below this level. We expect that as the effects of the pandemic lessen, our emissions will rise, however we do not anticipate them to return to 2019 levels due to carbon reduction projects we have implemented.

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



**Carbon reductions: projected vs. actual**



# Carbon reduction projects

## Completed carbon reduction initiatives

The following environmental management measures and projects have been completed or implemented since the 2017 baseline.

**The total carbon emission reduction achieved to date equates to 129,568 tCO<sub>2</sub>e, a 60% reduction against the 2017 baseline** and the measures will be in effect when performing the contract.

Our total Scopes 1, 2 and 3 emissions (excluding purchased goods and services) in FY22 increased by 62% compared to FY21, which is expected as we have shifted from a predominantly remote working model to our hybrid working model, with more colleagues returning to work in our offices, causing an uplift in our gas and electricity consumption.

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, our total emissions remain 76% lower than FY19, which is our last set of assured data pre-pandemic. Covid-19 has had a lasting change on the way we do business and going forwards we anticipate our travel will remain less than 60% of our pre-pandemic levels.

Our emissions relating to purchased goods and services have dropped by 32% compared to the previous reporting year (FY21 vs FY20 – emissions from purchased goods and services are reported a year in arrears).

## Implemented carbon reduction projects include:

### Strategic:

- 10-year environment strategy to become a Net Zero business by 2030, including an approved Science Based Target from the Science Based Target Initiative (SBTi).
- Certification to ISO50001 Energy Management System for UK operations.
- Certification to ISO14001 Environment Management System for UK operations.
- 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, including launching a 'green mark' for more sustainable hotel stays.
- Purchasing additional Guarantees of Origin from renewable sources to cover all of our electricity consumption within landlord managed offices.
- Providing our engineers with an auto-approval mechanisms for projects with a three-year payback, allowing them to capitalise on opportunities across the estate.
- Measured supply chain emissions as part of our Science Based Target.
- Engaging 100+ suppliers through our award-winning Sustainable Procurement Programme, actively collaborating to reduce our collective emissions. Engaging on topics such as setting Science Based Targets, reducing emissions, what good reporting looks like and sector specific events.
- Engaging our colleagues to adopt sustainable behaviours in their homes and in the workplace through our Sustainability @ Home and Net Zero 2030: Play your part campaigns.

- KPMG UK has launched a multi-year investment programme to drive world-class expertise and solutions to support our clients to manage the risks and opportunities of ESG. Read more about how we're helping to build sustainable, resilient, and purpose-led organisations for today and tomorrow on [Our Impact](#) site.
- Since 1 October 2022, KPMG UK has introduced an Internal Carbon Price (ICP) on our electricity, gas, and business travel emissions.

### 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.
- Continually finetuning offices through continuous monitoring using our building energy management systems (BEMS).
- Upgrades to our Air Handling Units.
- Advanced digital motor technology.

### 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.
- Continuing to engage our suppliers through our Sustainable Procurement programme with a focus on support for transitioning to renewable energy and how to effectively allocate emissions through the Carbon Disclosure Project's Climate Change survey.
- Installing PV on our offices in London and Leeds.

# 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 standard<sup>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

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) Standard<sup>3</sup>.

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:**



**Chris Heald**

Chief Operating and Financial Officer

Date: 31 January 2023

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

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

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



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