



Carbon reduction plan

Supplier name: KPMG LLP UK
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Commitment to achieving Net Zero

KPMG LLP is committed to achieving net zero emissions. We have set a science-based target (SBT) to be achieved by 2030 and this is validated by the Science-based Target Initiative (SBTi). Since setting our SBT, the SBTi has released the Corporate Net-Zero Standard for companies to set longer-term targets beyond 2030 to achieve net zero emissions. We are in the process of reviewing this standard while rebaselining our current near-term target.

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 SBT 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 independently assured and published within our annual Planet Impact Report (refer to KPMG's Our Impact [Report Hub](#)).

Our annual reporting is aligned with the GHG protocol and as such, tracks material sources of emissions, which for KPMG LLP include scope 1, scope 2 and scope 3 emissions, with the scope 3 emissions from purchased goods and services and business travel being two of the most material emissions sources. 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.

To ensure alignment with the requirements of Procurement Policy Note 06/21 we have disclosed emissions from additional scope 3 categories within the Carbon Reduction Plan, for both our baseline year and reporting year. Therefore, the emissions disclosed in this document may differ slightly from those in our independently assured Planet Impact Report. The additional categories reported on within the Carbon Reduction Plan include emissions from waste generated in operations and upstream transportation and distribution.



Baseline emissions

Baseline year emissions: 2017

Emissions	Total (tCO ₂ 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 ₂ e)
1. Purchased goods and services	153,962
2. Capital goods	N/A ¹
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 ²	48,420
7. Employee commuting	5,307 ³
8. Upstream leased assets	N/A
9. Downstream transportation and distribution	N/A ⁴
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

¹ To remove double counting from our Scope 3 emissions, Capital Goods have been included within Purchased Goods and Services.

² Radiative Forcing: Our air travel CO₂ emissions are multiplied by the DEFRA conversion factor which includes the radiative forcing factor to account for the higher global warming potential from emissions released at higher altitudes.

³ Employee commuting based on survey data and modelling of known office attendance.

⁴ 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.

Total Emissions (market-based)	217,199
Total Emissions (location-based)	223,560

Current emissions reporting

Reporting year: 2023

Emissions	Total (tCO ₂ e)
Scope 1	1,618 ⁵
	Natural gas: 1,486
	KPMG owned / leased vehicles: 132
Scope 2 (market-based)	0 ⁵
Scope 2 (location-based)	4,277 ⁵
Scope 3 (included sources)	89,514 ⁵

Our scope 3 emissions breakdown is as follows:

Emissions	Total (tCO ₂ e)
1. Purchased goods and services (2022) ⁶	58,646
2. Capital goods	N/A ⁷
3. Fuel and energy related activities	4,631
4. Upstream transportation and distribution	1,168
5. Waste generated in operations	25
6. Business travel including RF	22,364 ⁵
7. Employee commuting	1,976 ⁸
8. Upstream leased assets	N/A
9. Downstream transportation and distribution	N/A ⁹
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

⁵ We have sought independent assurance over this figure – refer to our annual Planet Impact Report, hosted on KPMG's Our Impact [Report Hub](#).

⁶ We report our purchased goods and services data a year in arrears, due to our reliance on the CDP questionnaire to provide us with supplier emissions allocated to us.

⁷ To remove double counting from our scope 3 emissions, Capital Goods have been included within Purchased Goods and Services.

⁸ In 2022, the concierge app was introduced requiring employees to input the mode of transport and journey distance for each commute from home to office. With effect from 2023, concierge data will be used to calculate employee commute emissions. Prior to this, employee commuting was based on survey data and modelling of known office attendance. We have sought independent assurance over this figure – refer to our annual Planet Impact Report, hosted on KPMG's Our Impact [Report Hub](#).

⁹ 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.

Total Emissions (market-based)	91,132
Total Emissions (location-based)	95,409

Emissions reduction targets

KPMG LLP have set a science-based target (SBT) 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 SBTi guidance, we have also set a target for scope 3 as our scope 3 emissions exceed 40% of our total emissions.

To help us make progress towards achieving net zero, we have adopted the following carbon reduction targets:

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

We project that total scope 1, 2 and 3 carbon emissions will decrease to 158,176 tCO₂e by 2030. This is a reduction of 27% from our 2017 baseline, in line with a 1.5°C scenario trajectory as per the Science-based Target Initiative (SBTi) near term target requirements.

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

Progress against targets

We report our purchased goods and services data a year in arrears, due to our reliance on the CDP questionnaire to provide us with supplier emissions allocated to us.

Our total scopes 1, 2 and 3 emissions (excluding purchased goods and services) in FY23 increased by 139% compared to FY22 due to increases in business travel and employee

commuting. This is expected as we have improved the methodology for employee commuting emissions and saw an increase in business travel as we have adapted to our post-pandemic hybrid working model. Our offices have returned to normal opening hours and colleagues are able to split their time between home, the office and client sites, leading to an uplift in our gas and electricity consumption.

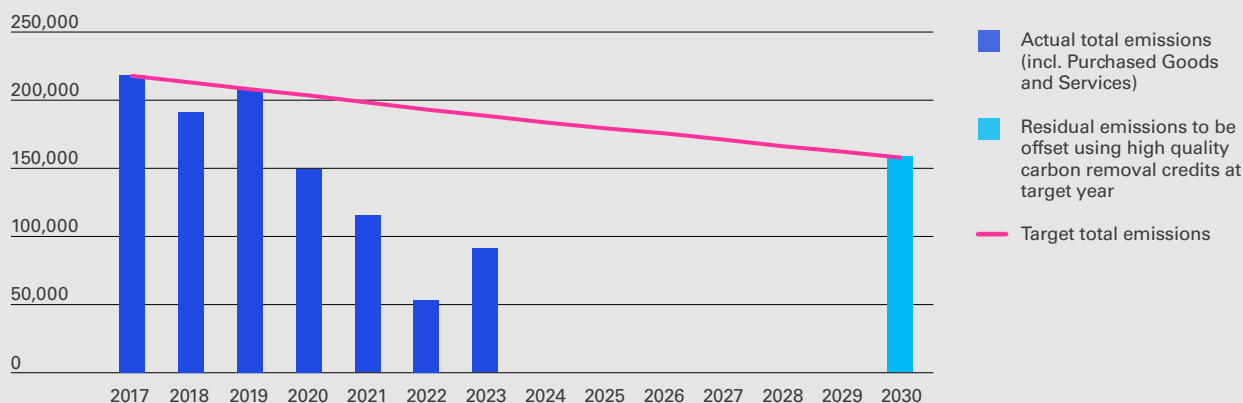
Our emissions relating to purchased goods and services have increased by 48% in 2022 compared 2021. Since disclosing our purchased goods and services for 2021, as part of a continuous focus on improving data quality, we have reviewed and refined our methodology for reporting, which has resulted in us restating our 2021 data.

Business travel across all forms of transport has increased due to the lifting of travel restrictions and the ability for our colleagues to recommence travel to client sites and offices. The UK Government Conversion Factors for air travel have also increased. Both factors have led to an increase in associated emissions. However, business travel remains 42% below pre-pandemic (2019) levels as we continue to use collaboration technologies.

In 2022, we launched our Office Concierge app which requires all colleagues to register daily visits to KPMG sites. As part of this, it is mandatory for colleagues to disclose details of their commute, including the mode of transport used and the distance travelled. This data provides access to a high level of management information on the emissions associated with employee commuting, enabling us to identify further initiatives to drive reductions in this area, building on our hybrid working plans, EV charging point roll out and cycle facilities. FY23 was the first year where we have had a full year's worth of detailed commuting data and so the estimated emissions associated with it are reported with improved accuracy too.

Carbon Reduction: Projected vs Actual (1.5°C SBTi trajectory)¹⁰

Emissions tCO₂e



¹⁰ The projected emissions are aligned with a 1.5°C scenario trajectory as per the Science-based Target Initiative (SBTi) near term target requirements. We are currently reviewing the new SBTi Net Zero Standard.

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 126,067 tCO₂e, a 58% reduction against the 2017 baseline** and the measures will be in effect when performing the contract.

Implemented carbon reduction projects include:

Strategic

- Purchasing additional Guarantees of Origin from renewable sources to cover 100% of our electricity consumption within landlord managed offices.
- Since 1 October 2022, KPMG UK has applied an Internal Carbon Price (ICP) on our electricity, gas, and business travel emissions. The funds raised are re-invested in greener, low-carbon upgrades to our operations, incentivising efficiency and enabling low-carbon innovation.
- We launched our 7 Key Performance Indicators (KPIs) for suppliers in our Sustainable Procurement Programme to track year-on-year performance with our suppliers driving change and reduction in emissions.
- 10-year environment strategy to become a net zero business, including an approved SBT, to be met by 2030, validated by the SBTi.
- Certification to ISO50001 Energy Management System for UK operations.
- Certification to ISO14001 Environment Management System for UK operations.
- 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 SBT.
- Engaging 200+ suppliers through our award-winning Sustainable Procurement Programme, actively collaborating to reduce our collective emissions. Engaging on topics such as setting SBTs, reducing emissions, what good reporting looks like and sector specific events.
- Implementation of remote working collaboration technologies, helping to reduce business travel.
- Updates to our travel policy, including mandating rail travel on certain routes and changes to business class routes.
- Launching travel management tool to allow employees to select lower emission travel choices, including launching a 'green mark' for more sustainable hotel stays.
- Engaging our colleagues to adopt sustainable behaviours in their homes and in the workplace through our Sustainability@Home (FY21) and Net Zero 2030: Play your part campaigns (FY22).
- KPMG UK has committed to a multi-year investment programme to support our clients to manage the risks and opportunities of ESG. Read more [here](#).

Energy reduction projects:

- Installation of photovoltaics (PVs) on the roof of our Canary Wharf head office.
- Upgrades to our Air Handling Units (AHUs) – we successfully trialled new digital motors with improved efficiency in AHUs at our Canary Wharf office which we plan to roll out in FY24.
- Continually finetuning offices through monitoring, using our building energy management systems (BEMS) and adjustment of temperature controls.
- 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.

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

- 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 CDP's Climate Change disclosure.
- We are in the process of reviewing the SBTi's Net Zero standard as part of our commitment to a long-term net zero target.

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 standard¹¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting¹².

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) Standard¹³.

This Carbon Reduction Plan has been reviewed and signed off by members of the Executive Committee.

Signed on behalf of the Supplier:



Chris Heard

Chief Operating and Financial Officer

KPMG LLP

12 December 2023

¹¹ <https://ghgprotocol.org/corporate-standard>

¹² <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

¹³ <https://ghgprotocol.org/standards/scope-3-standard>

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