



UK Planet Impact 2023

In respect of the year ended **30 September 2023**



Our planet data

In the past year, climate change has felt more tangible than ever before: as seen in other parts of the world, the UK had record-setting temperatures and a number of flooding events in 2023. Businesses have an important role to play in building the necessary resilience to face the climate crisis and continue to grow in a decarbonising economy. We aim to manage our climate-related risks and opportunities effectively, and in line with climate science, reduce our negative environmental impact. In 2022, we scored an A for our Climate Change disclosure to the Carbon Disclosure Project (CDP), demonstrating leadership in our performance.

Now more than ever, we need to protect and conserve the environment to enable future generations to thrive.

Our people are passionate about making sure that KPMG UK practices what it preaches, and acts as a leader in this space to realise sustained, positive change in the world.

From carbon to water to waste, we strive to continually improve our operations and minimise our environmental impact.

Hybrid working

Our firm continues to fully operate a hybrid working model with colleagues at client sites, offices and working from home. To recognise the environmental impact of our colleagues working from home, we have included a new metric and reported on our FY23 homeworking emissions in this year's report.

Our aim is to reduce our impact in line with climate science, while effectively mitigating climate-related risks and opportunities."

Rachel Hopcroft
Head of Corporate Affairs



Energy: Electricity and Gas

We successfully achieved our target of using only renewable electricity by 2024 and we are pleased to report 100% of our electricity is now backed by Renewable Energy Guarantees of origin (REGOs). As in previous years, we continue to purchase renewable energy for our own managed estates. However, in 2022 we purchased additional REGOs to cover electricity consumption in landlord offices that do not purchase renewable electricity.

This year has seen an increase in energy consumption since the pandemic period. The increase is directly due to a shift from remote working to hybrid working, with more colleagues returning to work to collaborate in our office and with clients. Overall emissions remain below pre-pandemic (2019) levels. Gas consumption has decreased by 6% and electricity consumption has increased by 4% in comparison to the previous FY22 reporting period.

Whilst our offices have experienced increased occupancy, the energy efficiency upgrades that we have made across our estate have meant that consumption has not increased at the same rate.

This year we have also reduced our office carbon footprint and have modified temperature controls in the way we heat and cool buildings resulting in less energy consumption across the estate. We have continued our LED lighting upgrades,



completing the first phase at our Birmingham and Canary Wharf offices, and we successfully trialled new motors with improved efficiency in air handling units at our Canary Wharf office, which we plan to roll out in FY24. We have seen improved energy efficiency at our Canary Wharf head office since the upgrade and ongoing finetuning of our boilers.

We continue to manage our energy consumption through our Building Management System (BMS) which controls our key engineering equipment as efficiently as possible, and we monitor and record our carbon emissions as part of our certifications to ISO14001 and ISO50001.

Since 1 October 2022, KPMG in the UK has introduced an Internal Carbon Price (ICP) on our electricity, gas and business travel emissions. The funds we raise through our ICP will be re-invested in greener, low-carbon upgrades to our operations, incentivising efficiency and enabling low-carbon innovation. A recent example of this was investing in solar panels at our Canary Wharf head office.

Our planet data

Continued

Travel

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 where necessary. Overall, business travel remains below pre-pandemic (2019) levels as we continue to use collaboration technologies. The UK Government GHG Conversion Factors for air travel have increased and therefore the associated emissions have also risen accordingly.

We are encouraging colleagues to make sustainable travel choices through our refreshed travel policy guidance, and the implementation of travel emissions tracking technology – our Carbon Traveller Dashboard. KPMG is supporting industry groups, suppliers and other corporates within the travel industry through round table discussions to review a new carbon emission methodology for rail.

Since launching our Office Concierge app in 2022, which requires all colleagues to register daily visits to a KPMG site, we have been able to track the mode of transport used and distance travelled by colleagues commuting to our offices. This has enabled us to disclose, for the first time, scope 3 employee commuting emissions for FY23.

Supply Chain

When setting our science-based targets, we made a bold commitment to significantly reduce the carbon impact of our supply chain. To work towards this ambition, we have doubled the number of suppliers we are collaborating with to reduce our collective emissions. We recognise we have a responsibility to help our suppliers on this journey and work collaboratively with them to share best practice. We are proud that Carbon Disclosure Project (CDP) has awarded us Supplier Engagement Leadership status, in recognition of our work in this area.

In January 2023, we appointed our new Head of Sustainable Supply Chain due to the strategic importance of effectively engaging with our suppliers and tackling the carbon emissions in our supply chain through our Sustainable Procurement Programme.

We continue to use our convening power to engage other organisations in our sector and through third parties to drive improvements in scope 3 supply chain emission reporting. We have also hosted several roundtables to discuss environmental topics such as science-based targets, new reporting requirements and use of renewable energy.

Since disclosing our Purchased Goods and Services for FY21, we have reviewed our data set and refined our methodology as part of a continuous focus on improving data quality and to reflect methodology improvements as they evolve. We are now restating our FY21 data based on these improvements.

Water

This year we have seen a reduction in our water consumption of 13% compared to FY22. This is due to a higher proportion of primary data made available across our portfolio this year, and therefore a reduced reliance on extrapolation.

Waste and paper

We track our progress in reducing waste and paper usage to ensure a responsible and sustainable use of resources. In FY23 we have achieved a 23% reduction in total waste from FY22, with 70% of total waste recycled. During FY23, we have been using pre-purchased paper. However, the need to replenish our paper stocks during the same year has led to an overall year-on-year increase in paper purchased.

We have also worked with our suppliers to identify ways of eliminating waste packaging from coming into our offices. We worked with the supplier of our new laptops to minimise the packaging and ensure we could reuse it for the return of old laptops.

Once our laptops are returned, they are refurbished for reuse or donated to our partner schools across the UK through our community programme.

This approach to refurbish and reuse is applied in other areas across our estate. In collaboration with our supplier, ISS, we use GlobeChain to donate a range of unused office items and equipment to schools and charities.

We were awarded Gold status in the Waste Reduction & Minimisation category at the 2023 Global Good Awards, recognising the achievements that we have made in this space.



2022 CDP score achieved: **A**
Supplier engagement leadership status



2023 Global Good Awards:
Gold for Waste reduction and Minimisation

Our planet data

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	2023	2022	2021	2020	2019
Scope 1					
Natural gas (kWh) ¹	8,123,729	8,669,641	9,619,063	11,822,085	11,911,129
Natural gas (kgCO ₂ e) ¹	1,486,065	1,584,249	1,761,783	2,173,727	2,189,861
KPMG owned/leased car travel (kWh)	534,491	414,334	156,241	1,525,469	[^]
KPMG owned/leased vehicles (kgCO ₂ e)	131,583	103,549	38,409	364,287	906,271
Total – Scope 1 (kgCO₂e)	1,617,648	1,687,798	1,800,192	2,538,014	3,096,132
Scope 2					
Electricity consumption (kWh)	20,652,457	19,870,861	16,776,352	18,445,331	23,382,774
Electricity emissions (location-based) (kgCO ₂ e)	4,276,593	3,933,653	3,562,123	4,300,345	5,981,898
Electricity emissions (market-based) (kgCO ₂ e)	0	80,923	957,072	946,441	1,117,083
Total – Scope 2 (market-based) (kgCO₂e)	0	80,923	957,072	946,441	1,117,083
Total – Scope 1 & 2 emissions (location-based) (kgCO₂e)	5,894,241	5,621,451	5,362,315	6,838,359	9,078,030
Total – Scope 1 & 2 emissions (market-based) (kgCO₂e)	1,617,648	1,768,721	2,757,264	3,484,455	4,213,215

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

[^] 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).

¹ As part of our continued engagement with third party suppliers to improve our reporting, we were informed mid-year from a landlord that there has been a repeated error in the gas meter reading since 2015 at one of our properties, which has caused us to overstate our Scope 1 Natural Gas consumption, and associated emissions in all reporting periods since 2015. As part of the investigation, we received information on our common parts consumption for this period, which we had previously not been provided. We have opted to include this common parts consumption within our restatement, which has led to an overall increase in Scope 1 Natural Gas consumption and associated emissions in FY19, FY20 and FY21. As common parts consumption was already included in FY22, the restatement has led to a decrease in Scope 1 Natural Gas consumption and associated emissions for this period.

Our planet data

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	2023	2022	2021	2020	2019
Scope 3					
Air travel – domestic (kgCO ₂ e)	938,492	415,353	44,102	788,569	2,256,767
Air travel – short (kgCO ₂ e)	1,342,377	505,541	19,296	1,140,324	2,901,549
Air travel – long (kgCO ₂ e)	16,800,595	5,555,853	704,258	9,385,770	26,370,482
Air travel – international (kgCO ₂ e)	1,757,000	747,772	265,275	1,494,238	3,428,170
Air travel – total (kgCO₂e)	20,838,464	7,224,519	1,032,931	12,808,901	34,956,968
Rail travel (kgCO ₂ e)	697,119	371,539	33,449	565,113	1,570,335
Business-related car travel (kgCO ₂ e)	828,674	519,326	104,392	1,097,768	2,287,572
Business travel – total (kgCO₂e)	22,364,257	8,115,384	1,170,772	14,471,782	38,814,875
Transmissions and distribution electricity (kgCO ₂ e)	369,991	356,799	315,228	369,829	507,406
Well to tank (kgCO ₂ e)	4,260,583	1,325,574	421,790	2,163,378	5,234,537
Total – Scope 3 (kgCO₂e)	26,994,831	9,797,757	1,907,790	17,004,989	44,556,818
Scope 3 – Extended					
Purchased Goods and Services ²		58,645,519	39,973,045	109,038,076	128,873,000
Employee Commuting (kgCO ₂ e)	1,976,450	^	^	^	^
Homeworking (kgCO ₂ e)	4,800,158	^	^	^	^
Total – Scopes 1, 2 & 3 (location-based)³	32,889,072	15,419,208	7,270,105	23,843,348	53,634,848
Total – Scopes 1, 2 & 3 (market-based)³	28,612,479	11,566,478	4,665,054	20,489,444	48,770,033
Full-time equivalent workers ⁴	18,308	16,425	14,896	15,806	16,472
Intensity ratio – Scopes 1 & 2 (location-based) (kgCO₂e/FTE)	322	342	360	433	551
Intensity ratio – Scopes 1, 2 & 3 (location-based) (kgCO₂e/FTE)	1,796	939	488	1,508	3,256

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

¹ 2023 was the first year that we reported our Employee Commuting and Homeworking emissions.

² We have restated the Purchased Goods and Services emissions for FY21 to reflect revised data from our supply chain and changes to how the CDP Sectoral Averages are applied.

³ Totals for Scopes 1, 2 & 3 emissions exclude Scope 3 – Extended categories, namely Purchased Goods and Services, Employee Commuting and Homeworking emissions.

⁴ This figure includes Partners, staff and contractors.

Our planet data

Continued

	2023	2022	2021	2020	2019
Additional disclosures					
Water (litres)	82,524,115	95,163,045	122,115,392	85,045,161	96,244,248
Paper (sheets)	3,858,375	1,339,850	1,697,875	19,034,000	35,808,000
Waste					
Total waste (kg)	1,151,907	1,497,969	538,000	1,336,920	1,969,074
Recycled waste (kg)	806,964	1,206,545	470,000	1,052,170	1,693,788
% waste recycled	70	81	87	79	86

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

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, Malta and the Channel Islands that we had financial control over as of 30 September 2023.

Approach to restatements and revised baselines

Our policy on environmental 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 2023 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 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, employee commuting, homeworking 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.

- Total GHG emissions for Scope 1 and 2 (in kgCO₂e) for both location and market-based methods of calculation.
- Total GHG emissions for Scope 1, 2 and 3 (in kgCO₂e, excluding Purchased Goods and Services, as this is reported one year in arrears) for both location-based and market-based methods of calculation.
- Total annual GHG emissions per Full Time 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, 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. We work with our landlords on a monthly basis to identify any data gaps and encourage comprehensive data collection.

Travel data is collated by KPMG's contracted travel management company and by KPMG's Expenses team in km and spend, with appropriate UK Government GHG Conversion 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.

Employee commuting data is taken from KPMG's Office Concierge app and office attendance records including entry pass data and desk bookings. Homeworking emission calculations is based on data taken from the same office attendance reports as well as timesheet records.

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 the Coupa procurement platform.

Application of UK Government GHG Conversion Factors

Scope 1, Scope 2 (location-based); and Scope 3 business travel, employee commuting, homeworking, transmission and distribution of electricity and well to tank emissions are calculated using the UK Government GHG Conversion Factors. Where the reporting year spans two calendar years, the emission conversion factor for the later year has been applied to the full 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.

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 for a 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 Government 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 kgCO₂e conversion factor provided by UK Government GHG Conversion Factors.

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 this case, and
- UK residual mix carbon conversion factors from the Association of Issuing Bodies (AIB).

Scope 1 & 2 Common Parts Data

This year, we have continued to work closely with our landlords to capture and analyse gas and electricity consumption in common parts across multi-occupied sites. Traditionally this has been billed through service charges, with limited visibility of the kWh consumption. This is an ongoing and challenging project for the industry, as reporting at this level of detail is new for the majority of landlords. However, we have made substantial progress in helping to provide a more complete picture of our overall consumption. We will continue to progress our engagement with landlords.

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 includes emissions from our suppliers in providing us with goods and services; as well as business travel, transmission and distribution of electricity and indirect supply of fuel (well to tank). New for this year, we have added employee commuting and homeworking.

Business travel

For rail travel, when a 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.

For instances where distance information is not provided for a rail travel expense claim, we estimate the distance based on the expense amount using journeys where the distance is known.

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.

Our planet impact reporting method statement

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Employee commuting emissions

Employee commuting measures the emissions from travelling between home and the office.

In 2022, we started using our Concierge app to collate commuting data for all employees travelling from home to the office enabling us to calculate the related emissions for FY23. The employee commuting emissions are calculated using the total journey distances entered in the Concierge app, multiplied by the relevant UK Government GHG Conversion Factors for each mode of transport.

A cap on the maximum number of journey miles was implemented mid-year to prevent unrealistically high values being entered in the Concierge app. For high values already entered, these have been replaced with the average journey distance for the relevant office for the transport mode used.

To ensure completeness of the Concierge app data, we compared office attendance data captured at the point of entry at each KPMG office to the number of completed daily passes from the Concierge app. We calculated the percentage difference between the two sources of data for each month and office, and extrapolated our dataset based on those percentages to take account of any missing journeys and ensure all entries are captured.

The extrapolation is applied to the mileage reported for each journey based on the destination office, the month, and transport mode.

Homeworking emissions

Homeworking emissions represent the energy consumption associated with our employees working from home. Total emissions are calculated using the total number of FTE homeworking hours multiplied by the UK Government GHG Conversion Factors which includes energy consumption from heating and office equipment. We use internal management information to determine the total working hours, and time spent in the office, at clients and homeworking.

Total working hours are calculated using our FTE headcount and total available working hours, which is based on contracted hours after adjusting for timesheet hours charged to annual leave, sick leave and other allowable leave days or days spent offsite, such as training and volunteering hours.

Homeworking hours are calculated as any working hours not accounted as hours spent at office or client sites. The total number of office days is calculated using employees' office attendance data captured at the point of entry at each KPMG office. The number of days spent working from client sites is calculated using surveys or expected working patterns across each business capability.

Purchased goods and services

Purchased goods and services data is reported a year in arrears. Historically, data was obtained through our suppliers responding to the 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 in conjunction with data obtained through supplier engagement, 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 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 39% of supplier emissions. For the remaining 61%, 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.

Our planet impact reporting method statement

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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, treated as recyclable material without contamination and reported to KPMG as recycled. This data is supported with documentation confirming the material status as recyclable through detail of recycled tonnage in the annual waste report provided by our waste broker.

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 the 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 ("the Report") for the year ended 30 September 2023 listed in Appendix 1 to 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 applicable criteria that you have selected are the Our Planet impact reporting method statement included in the Report (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 Management (ISQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and accordingly we maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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). This standard requires that we plan and perform this engagement to obtain limited

Independent limited assurance report

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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 a selection of selected carbon conversion factor calculations, other unit conversion factor calculations and other 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: 26 January 2024

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

Underlying Subject Matter	Units	2023
Scope 1 – natural gas and KPMG owned/leased vehicles	kg CO2e	1,617,648
Scope 2 – Electricity emissions [location-based]	kg CO2e	4,276,593
Scope 2 – Electricity emissions [market-based]	kg CO2e	0
Total Scope 1 & 2 emissions [location-based]	kg CO2e	5,894,241
Total Scope 1 & 2 emissions [market-based]	kg CO2e	1,617,648
Scope 3 – emissions from business-related car travel, rail travel and air travel	kg CO2e	22,364,257
Scope 3 – transmission and distribution electricity	kg CO2e	369,991
Scope 3 – well to tank	kg CO2e	4,260,583
Scope 3 – employee commuting	kg CO2e	1,976,450
Scope 3 – homeworking	kg CO2e	4,800,158
Total Scope 3 (not including purchased goods and services)	kg CO2e	26,994,831
Total Scope 1, 2 & 3 emissions [location-based]	kg CO2e	32,889,072
Total Scope 1, 2 & 3 emissions [market-based]	kg CO2e	28,612,479
Intensity ratio – Scopes 1 & 2 [location-based]	kgCO2e/FTE	322
Intensity ratio – Scopes 1, 2 & 3 [location-based]	kgCO2e/FTE	1,796
Total Scope 1 natural gas and firm owned/leased vehicles	kWh	8,658,220
Total Scope 2 electricity consumption	kWh	20,652,457
Total water consumption	litres	82,524,115
Total paper usage	sheets	3,858,375
Total waste	kg	1,151,907
Recycled waste	kg	806,964
% waste recycled	%	70



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