KPMG

KPMG Chain Analysis Report

Purchased Goods & Services: Insourcing



Annual Update FY26 for continued Level 5 Certification (version October 2026)

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Summary

This report presents a value chain analysis for KPMG Netherlands (KPMG N.V.) as part of its commitment to achieve a 26% reduction in emissions from purchased goods and services by 2030. Within this category, the analysis targets, the emissions generated when insourcing expertise from external KPMG member firms and focuses on Scope 3, Category 1: Purchased Goods & Services, KPMG N.V.'s largest emission source (69%).

KPMG N.V. operates within a global network, delivering assurance and advisory services that often require collaboration with other member firms and international travel. While the organization's direct emissions are relatively low due to targeted emission reductions through the procurement of renewable electricity and the transition to an electric lease car fleet, the procurement of goods and services remains a significant contributor to its overall carbon footprint. The report outlines the methodology for identifying relevant emission categories, mapping the value chain, and quantifying emissions using up-to-date data and recognized standards such as the GHG Protocol.

Key partners in the value chain include the umbrella organization of KPMG International and KPMG member firms. The respective analysis emphasizes the importance of collaboration with these partners to obtain accurate emissions data and implement effective reduction measures. Strategic interventions proposed include encouraging member firms to procure renewable electricity and transition to an electric lease car fleet.

Progress is monitored and reported (internally on a quarterly basis, and externally semi-annually), ensuring transparency and continuous improvement. By embedding sustainability into its business travel practices, KPMG N.V. not only aims to meet regulatory requirements, but also to drive broader change within its sector and value chain.

This analysis was originally developed in FY25 and has been reviewed and updated for FY26 to incorporate the latest emissions data, progress on planned interventions, and insights gained through engagement with KPMG International and member firms.

In FY26, improved data and KPMG-specific emission factors were applied to estimate emissions from services insourced from other KPMG member firms. This has enabled KPMG N.V. to measure the effect of carbon reduction initiatives across the KPMG network and lays the foundation for meaningful engagement with KPMG member firms and as a result, interfirm emissions have decreased 25% in 2026 compared to 2019, which correlates to a 5% reduction in overall Scope 1, 2 and 3 emissions for KPMG N.V. Further progress is expected by engaging with KPMG member firms on climate transition plans and continuing to obtain better data.

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1. Introduction

We believe that climate change is both a business risk and an opportunity for innovation. No single organization or country can solve the climate challenges alone, making collaboration and engagement critical. At KPMG, we recognize that in our role as auditors and as advisors to organizations around the world, we have an important responsibility regarding how we drive the change needed to deliver on a low carbon economy. This is why KPMG participates in the CO_2 Performance Ladder, designed to help organizations reduce their carbon footprint and drive continuous improvement in climate performance.

KPMG operates as a global network of independent member firms affiliated with KPMG International Limited. Each member firm is a legally distinct entity responsible for its own management, operations, and profit and loss (P&L). KPMG International itself does not provide services to clients but acts as a coordinating entity to ensure consistency in service quality and adherence to shared values across the network. KPMG N.V. also utilizes expertise from other member firms, these firms act as suppliers of specialized knowledge and are financially compensated for their contributions.

Within the KPMG network, services are typically divided into two primary functions: assurance and advisory. Assurance services encompass audit and related activities aimed at providing independent verification of financial and non-financial information. Advisory services cover a broad range of consulting solutions – such as strategy, management, risk, transactions, and technology. This distinction is important when considering the procurement of external expertise, as the nature and intensity of resource use, as well as associated emissions, can vary significantly between assurance and advisory engagements.

Although our activities are not characterized by high emission intensity, the issue of greenhouse gas (GHG) emissions in the context of climate change mitigation is a material negative impact that we are actively addressing. We want to fully play our part in the transition to societal net-zero and help address the existential challenges of climate change.

1.1 Reason for Value Chain Analysis

KPMG Netherlands (KPMG N.V.) obtained CO_2 Performance Ladder Level 5 certification in December 2025. As part of maintaining this certification and supporting continual improvement within the CO_2 Performance Ladder framework, this value chain analysis is reviewed and updated annually.

This chain analysis focuses on emissions associated with insourcing expertise from other KPMG member firms, a material component of Scope 3 Category 1: Purchased Goods & Services. The analysis was originally developed in FY25 to improve understanding of the emissions generated within this part of the value chain, identify opportunities for emission reduction, and strengthen collaboration with value chain partners.

As the interventions identified in the original analysis remain ongoing, this FY26 update does not replace the original chain analysis. Instead, it reviews the continued relevance of the selected value chain, updates the underlying emissions data where appropriate, evaluates progress against planned interventions, and identifies additional opportunities to further reduce emissions and improve data quality. In doing so, KPMG N.V. aims to support continuous improvement within its value chain and share relevant insights and best practices with member firms and sector peers.

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1.2 Target audience and relevance

This chain analysis focuses on emissions from insourcing expertise from member firms across the KPMG network and falls under Scope 3, Category 1: Purchased Goods & Services – a significant source of emissions for internationally operating service organizations. In our case, insourcing often predominantly involves collaboration with other KPMG member firms, who provide specialized expertise and support for client engagements. By analyzing this area, we not only address a major contributor to our indirect emissions but also highlight an industry-wide challenge: emissions were typically estimated using spend-based methods using sector-specific Environmentally Extended Input-Output (EEIO) emission factors, which offer limited accuracy. The KPI introduced in FY26 and the more granular calculation approach improves transparency and insight into these emissions-not only within our organization but across the sector and potentially beyond.

Through this chain analysis and the interventions we initiated in FY26, we have established a practical methodology that other organizations can adopt, helping to support a more consistent approach to measuring and reducing emissions in international service delivery. Our KPIs and insights can serve as benchmarks, encouraging transparency and enabling other companies to perform similar analyses and improve their performance.

Our member firms work with the same suppliers, technology partners, and clients as other players in the sector. By setting requirements and implementing reduction plans, we increase pressure on the broader value chain to decarbonize-amplifying the impact beyond our own operations. The analysis is primarily relevant to KPMG N.V.'s management, sustainability and procurement functions, as it supports improved emissions measurement, monitoring and decision-making. It is also relevant to KPMG International and other KPMG member firms. Cooperation across the network is necessary to obtain more accurate emissions data, understand key emission drivers and identify practical reduction opportunities.

The resulting methodology and insights may also be useful to other professional services organizations that procure expertise internationally and face similar challenges in measuring these emissions. By sharing lessons learned, KPMG N.V. aims to support a more consistent and transparent approach to measuring and reducing emissions from international service delivery. Through collaboration and knowledge sharing, we aim to identify where emissions occur in our value chain and uncover practical reduction opportunities. This chain analysis provides insights that help our partners make informed decisions, improve transparency, and enable joint initiatives – creating impact not only within our network but across the professional services sector for a cleaner future within planetary boundaries.

This value chain analysis is not only about compliance, but also about raising awareness of the role of international collaboration in the climate transition. By identifying emission hotspots and stimulating joint reduction actions, KPMG contributes to a broader movement towards a sustainable economy. This aligns with the growing recognition that value chain responsibility is essential for achieving climate goals and strengthening the sector's societal legitimacy.

1.3 Structure of the report

This report outlines our value chain analysis. To identify the most relevant emission streams within Scope 3, we adhered to the GHG Protocol, which involves four key steps:

- Describing the value chain.
- Determining the relevant Scope 3 emission categories.
- Identifying partners in the value chain.
- Quantifying the emissions.

These steps, as illustrated above, have been woven into chapters in this report.

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2. Scope 3 emissions qualitative categorization and quantification

To identify relevant Scope 3 emission sources, we applied the GHG Protocol's category framework , selecting those deemed material to our operations. We then qualitatively prioritized these categories using five criteria - outlined as column headers in the accompanying table - to guide where we should focus our reduction efforts.

PMC's sector/activities	Activity causing CO_2 emissions	Relative importance of CO_2 impact of the sector/activity		Potential influence on the CO_2 emission	Ranking (1 = highest)
#1	#2	#3 Sector	#4 Activities	#5	#6
KPMG Advisory	Scope 3, category 1: Purchased Goods and Services	High	High	High	1
	Scope 3, category 3:Fuel and Energy-Related Activities	Low	Low	Low	4
	Scope 3, category 5: Waste generated in operations	Low	Low	Low	5
	Scope 3, category 6: Business Travel	Medium	High	High	2
	Scope 3, category 7: Employee Commuting	Medium	Medium	Medium	3
KPMG Accountancy	Scope 3, category 1: Purchased Goods and Services	High	High	High	1
	Scope 3, category 3:Fuel and Energy-Related Activities	Low	Low	Low	4
	Scope 3, category 5: Waste generated in operations	Low	Low	Low	5
	Scope 3, category 6: Business Travel	Medium	High	High	2
	Scope 3, category 7: Employee Commuting	Medium	Medium	Medium	3

Table 1: Qualitative emissions categorization Scope 3 emissions

[2] Corporate Value Chain (Scope 3) Accounting Reporting Standard

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When comparing the qualitative list (see table above) with the quantitative disclosure of our CO_2 emissions the listing order matches accurately:

Gross Scope 1, 2 and 3 emissions (tCO_2e)	Retrospective				Target
Emission category	Base Year 2018/2019	2024/2025	2025/2026	Reduction (since base year)	2029/2030
Scope 1 GHG emissions					
Gross Scope 1 Emissions (tCO_2e)	8,532	1,338	842	-90.1%	-98.50%
Scope 2 GHG emissions					
Gross Location Based Scope 2 Emissions (tCO_2e)	1,888	3,829	3,911	107.2%	
Gross Market Based Scope 2 Emissions (tCO_2e)	2,828			-100.0%	-100.00%
Scope 3 GHG emissions					
Total gross indirect (Scope 3) GHG emissions (tCO_2e)	**23,110**	**24,257**	**22,992**	**-0.5%**	**-26.0%**[1]
3.1 Purchased Goods and Services - End-user IT Devices	161	817	157	-2.5%	
3.1 Purchased Goods and Services - Other Commodities and Services	14,157	15,430	15,555	9.9%	
3.3 Fuel and Energy Related Activities (Not Included in Scope 1 and 2)	2,357	1,265	1,122	-52.4%	
3.5 Waste generated in operations	4	263	228[2]	5600.0%	
3.6 Business Travel	6,823	4,941	4,172[3]	-38.9%	
3.7 Employee Commuting	203	1,541	1,758[4,5]	766.0%	
Total GHG emissions (location-based) (tCO_2e)	**33,530**	**29,424**	**27,745**	**-17.3%**	
Total GHG emissions (market-based) (tCO_2e)	**34,470**	**25,595**	**23,834**	**-30.9%**	**-50.00%**

Table 3: Emissions inventory

[1]The disclosed Scope 3 emission reduction target is provisional and aligned with our commitment to achieving a 50% gross emissions reduction.
[2] Due to data quality improvements, we are now able to obtain supplier-specific emissions data from our waste processing provider, resulting in higher emissions in this category. To create a like-for-like comparison, we corrected the FY25 emissions accordingly.
[3,4] The disclosed emissions for business travel and employee commuting are different from those presented in the Integrated Report. This is because the figure above includes full lifecycle emissions of fuels from air travel (WtW), whereas in our integrated report we report exhaust pipe emissions of air travel (TtW).
[5] Due to data quality improvements, we are now better able to distinguish business travel emissions from employee commuting emissions. This resulted in a shift of emissions previously allocated to business travel to employee commuting.

This table presents emissions data calculated in accordance with the CO_2 Performance Ladder Handbook 3.1. This has slight differences with the requirements for emissions accounting according to the GHG Protocol as followed in our Integrated Report. Most notably, the Performance Ladder requires full lifecycle (WtW) emissions accounting in Scope 3, resulting in higher air travel emissions in the business travel category, as we add the upstream emissions of fuel consumption in airplanes (WtT) to the inventory. This value chain analysis maps the emissions from activities purchased from other KPMG member firms. This activity is part of emissions within our Scope 3, Category 1: Purchased Goods & Services, our largest emission source. Emissions in this category have increased significantly since our 2018/2019 base year.

Emissions are mostly calculated according to the spend-based method. The data source is the expenditure in our Coupa purchase ledger. These expense categories are mapped to emission factor categories in an Environmentally Extended Input-Output (EEIO) model (Exiobase) that reflect emissions in $kgCO_2e$ per EUR spent in various spend categories. we improved the accuracy of our Scope 3 footprint by using supplier-specific data for selected categories, including Microsoft cloud services and waste processing. For interfirm emissions, we transitioned from a spend-based method using sector-wide EEIO emission factors to using a spend-based method using supplier data. The resulting hotspot analysis shows that the total emissions from the procurement of services from member firms is 18% of KPMG N.V.'s total Scope 1, 2 and 3 emissions.

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3. Our focal point: Purchased Goods & Services

This chain analysis focuses on a particularly prominent source of emissions within Scope 3, Category 1: Purchased Goods & Services, where insourcing plays a significant role. These emissions arise from common practices in the professional services sector, where cross-border service delivery often requires collaboration beyond a single entity. To deliver high-quality and efficient advisory services to multinational clients, KPMG Netherlands (KPMG N.V.) regularly relies on the expertise of other KPMG member firms and KPMG International. These firms act as suppliers of specialized knowledge and are financially compensated for their contributions-an approach that is standard across the industry, driven by regulatory requirements, assurance standards, and client expectations.

By analyzing this area, we not only address a major contributor to our indirect emissions but also highlight an industry-wide challenge-where emissions are typically estimated using spend-based methods using generic sector-wise EEIO emission factors. By applying a more granular approach, we contribute to improving insight into these emissions-not only within our organization but across the sector and potentially beyond.

Sector-wide relevance and example-setting: Through this chain analysis and the interventions we implement, we create a practical methodology that other organizations can adopt. This helps establish a standard for measuring and reducing emissions in international service delivery. Our KPIs and insights can serve as benchmarks, encouraging transparency and enabling other companies to perform similar analyses and improve their performance.

Indirect impact through shared networks: Our member firms work with the same suppliers, technology partners, and clients as other players in the sector. By setting requirements and implementing reduction plans, we increase pressure on the broader value chain to decarbonize-amplifying the impact beyond our own operations.



Figure 1. KPMG N.V.'s value chain regarding the member firm structure.

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4. Chain partners in the member firm structure

Chain partners are entities upstream in the member firm structure with whom KPMG N.V. engages. When identifying chain partners, it is important to distinguish between direct and indirect partners. Direct chain partners are those with whom KPMG N.V. have a direct contractual relationship. Indirect chain partners are those without a direct contractual link.

4.1 Direct and indirect chain partners

Direct chain partners

In planning and implementing the chain analysis, the most important direct chain partners are the KPMG International organization, with whom we connect as a supplier, a data provider and a sparring partner to share insights from this chain analysis. In addition, there are other KPMG member firms with whom we engage on data and decarbonization strategies.

Partner Type	Role	Impact	Example Activities
KPMG International	Provide expertise for market insights, managing key accounts, collaborating across member firms to improve cohesion of service delivery	Stationed remotely and across the globe. Generate emissions through travel	Travel internationally, potentially by airplane
Other KPMG member firms	Provide topic and project-specific knowledge	Stationed in a country outside of the Netherlands, have employee commuting emissions, more likely to be ground travel	Travel mostly inside the country and make use of KPMG member firm offices

Indirect chain partners

With regard to decarbonization strategies by member firms, it is likely that most emissions are generated in Scope 3 by our direct chain partners. It is also likely that the emission profile of other KPMG member firms is similar to that of KPMG N.V. This means that engaging with other KPMG member firms can be centered around the same topics as with KPMG N.V.

Partner Type	Role	Impact	Example Activities
Energy providers	Provide energy (electricity and heat) to the offices of KPMG member firms	Electricity and heat generation, most commonly generated by fossil fuels	Electricity for buildings and natural gas for building heating
Mobility providers	Provide mobility for the employees of KPMG member firms	Internal combustion vehicles drive on fossil fuels	Fossil fuel (lease) fleet
Travel providers	Provide (international) travel for the employees of KPMG member firms	Air travel generates carbon emissions	International travel to clients, other member firms and events
Technology providers	Provide cloud, AI, software, data center and IT hardware services used by KPMG employees	Energy use and associated emissions from cloud computing, AI applications, data centres, and the production and transportation of IT hardware	Cloud and AI use, data storage and processing, and the production and transportation of laptops and other IT equipment

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4.2 Chain partner interests and needs

Direct Chain Partners

Partner Type	Interests and/or needs
KPMG International	Ensuring consistent quality and facilitating knowledge sharing. Reliable emissions data, joint reduction targets, and support for implementing sustainable practices.
Other KPMG member firms	Meeting client expectations and sector standards, maintaining a reputation as a sustainable service provider. Practical tools and guidance for greening their own operations, such as electrification of vehicle fleets and procurement of renewable energy.

Indirect Chain Partners

Partner Type	Interests and/or needs
Energy providers	Continuity of service, responding to growing demand for sustainable solutions. Long-term contracts, investments in green technology.
Mobility providers	Continuity of service, responding to growing demand for sustainable solutions. Long-term contracts, investments in green technology.
Travel providers	Adapting to stricter CO_2 reduction requirements. Collaboration in developing sustainable travel options.
Technology providers suppliers	Meeting sustainability criteria set by clients. Transparency regarding supply chain and emissions.

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5. Interventions

KPMG N.V.'s approach to understanding and reducing emissions associated with the procurement of external expertise consists of three complementary interventions: improving data quality, engaging with member firms on their transition plans and leveraging internal expertise to support greener practices across the network.

1. Improving data quality

Planned intervention

This intervention focuses on improving the accuracy and relevance of the emissions data associated with external expertise. Using a spend-based EEIO emission factor enables us to identify external expertise as a hotspot within Scope 3, Category 1: Purchased Goods and Services, due to the high level of expenditure in this category. While this method provides an initial indication of the relative size of emissions, it offers limited insight into the underlying emission drivers. More specific emissions data enables KPMG N.V. to better understand these drivers, monitor developments over time and assess the effect of value-chain decarbonization initiatives. The intended intervention was to replace the spend-based emission factor with emission allocation based on billable hours. This metric would be superior to using a spend-based EEIO emission factor, since it is linked to the activity of writing hours and conducting the work that generates emissions.

If this method would not be feasible, the second approach is to replace the spend-based EEIO emission factor with a spend-based emission factor that is specific to the supplier's emissions. This company-specific emission factor is superior to the industry-wide emission factor and enables us to trace carbon reduction initiatives metric better reflects the nature of the services procured and the related sources of emissions, such as energy consumption, fuel consumption and business travel, than a calculation based on hourly rates.

Actions taken and progress

KPMG N.V. engaged with KPMG International to obtain the Scope 1, Scope 2 and upstream Scope 3 emissions of KPMG member firms. Next, KPMG N.V. attempted to retrieve all billable hours from these member firms and allocating the billable hours by dividing them by the total number of hours worked by KPMG employees at that member firm. After investigation, both the number of billable hours and the total number of hours worked were not able to be retrieved from internal systems. Instead, KPMG N.V. applied the second approach of enhancing the spend-based emission factor from an industry-wide EEIO factor to a company-specific emission factor. In the absence of reliable member firm emissions data, KPMG N.V. used the Scope 1, 2 and 3 emissions of KPMG International, which summarizes all member firm carbon emissions.

We retrieved the spend-based emission factor of tCO2e/M$ revenue that KPMG International discloses in its Impact Plan[1] and, after correcting for currency conversions, multiplied by our spend to KPMG member firms. The metric reflects market-based emissions and therefore captures relevant decarbonization measures implemented by member firms, including the procurement of renewable electricity. This supplier apportioned emission factor is 57% lower than the EEIO emission factor and applying this emission factor has significantly decreased our disclosed carbon emissions in this category. Since changing emission factors do not relate to actual decarbonization initiatives, a base year recalculation assessment was conducted and concluded it was not necessary to recalculate the base year emissions. The main reason was that the emission intensity of KPMG International in tCO2e/M$ in 2019 was significantly higher than in 2026 and therefore much closer to the EEIO emission factor of 2019.

In conclusion, the updated method of tracking emissions from member firms now enables us to capture carbon reduction initiatives such as procurement of renewable electricity and fleet electrification across the KPMG network. The updated method was approved by the Board of Management in 2026 and served as a stepping stone for engaging with member firms on carbon reduction initiatives and transition plans.

[1] Our Impact Plan

2. Stakeholder engagement on transition plans

Planned intervention

This intervention focuses on engagement with the nine largest member firms in the KPMG network. The engagement addresses their decarbonization pathways and the principal emission drivers associated with the expertise sourced from them, including stationary and mobile combustion, business travel and purchased goods and services.

The intervention supports a better understanding of differences between member firms, the measures already in place and the opportunities for further emissions reductions.

Actions taken and progress

Through the Planet Working Groups, KPMG N.V. engaged with other member firms on several aspects of decarbonization, particularly across the Buildings, Travel, Procurement and Technology levers. This collaboration included exchanging knowledge and best practices and jointly contributing to the development of a Climate Transition Plan.

3. Leveraging expertise to lead by example

Planned intervention

This intervention uses the sustainability expertise available within KPMG N.V. to support KPMG International and other member firms in strengthening their environmental practices. It focuses on sharing practical knowledge, methodologies and examples related to emissions measurement and reduction. Relevant areas include sustainable buildings, renewable energy, low-emission mobility and responsible procurement.

The intervention also connects insights from the chain analysis with broader collaboration across the KPMG network, supporting more consistent emissions measurement and the exchange of effective decarbonization practices.

Actions taken and progress

In FY26, the updated method for tracking carbon emissions, as well as KPMG N.V.'s overall progress on GHG accounting has caught the attention of KPMG International and member firms, including but not limited to KPMG Canada. We have engaged with KPMG International on our approach to capturing interfirm emissions and plan to continue to do so in the coming years.

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6. Qualitative and Quantitative Outcomes

Qualitatively, KPMG N.V. aims to act as an innovator within the global KPMG network, catalyzing a shift toward better sustainability performance among its chain partners. By setting a precedent and sharing best practices, KPMG N.V. seeks to elevate the environmental standards of the broader consultancy ecosystem.

Intervention	Estimated reduction impact in 2030	Description	Implementation feasibility (exp. time to implement)	Responsible within KPMG
Electricity and heat emissions for the facilitation of services of other KPMG member firms	-90%	In line with KPMG N.V.'s own reduction since 2019 through the procurement of renewable electricity	Medium, 5 years	Corporate Responsibility (CR), KPMGI and CR teams of member firms
Mobility emissions from the combustion of fossil fuels in lease car fleet	-75%	In line with KPMG N.V.'s own reduction since 2019 through the transition to an electric fleet	Medium, 5 years	Corporate Responsibility (CR), KPMGI and CR teams of member firms

Table 3: Intended quantitative outcomes.

With the assumption that the emission profile of KPMG member firms is similar to that of KPMG N.V., we expect an emission distribution of member firm's Scope 1, 2 and 3 emissions to be 25%, 8% and 67%, respectively. When targeting a 75% reduction in Scope 1 and 100% reduction in Scope 2, the expected overall reduction in base year emissions is 26%. This chain analysis does not target Scope 3 reduction for other KPMG member firms. Engagement with member firms will include discussions on Scope 3 reductions (such as business travel and purchased goods and services), but we will not quantify a target due to the limited leverage of KPMG N.V. on the value chain emissions of other member firms. Since the emissions of procured services from member firms account for 18% of KPMG N.V.'s total emissions, reducing 26% of 18% results in a total expected reduction of 5%. The table below presents the details of the expected overall emission reduction.

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	A	B	C	D	
Scope	Assumed emission allocation of KPMG member firms (as per KPMG N.V. in base year)	Targeted emission reduction	Expected emission reduction (A x B)	Contribution of member firm emissions to total	Total expected emission reduction for KPMG N.V. (C x D)
1	25%	-75%	19%		
2	8%	-90%	7%		
3	67%	0%	0%		
Total	**100%**		**26%**	**18%**	**5%**

Table 4: Targeted emission reductions.

6.1 Progress in FY26

After implementing the updated calculation method, the data quality improvement resulted in a 25% decrease in interfirm carbon emissions since the base year of 2019. This has an overall contribution in Scope 3, category 1 of 13% to our overall target of 26% reduction in KPMG N.V.'s total Scope 3 emissions by 2030 (compared to 2019), in line with the emission reduction target we set to meet the requirements of the Science-Based Target of KPMG International. We expect additional impact in the coming years and the remaining reduction will need to be achieved through other interventions, such as air travel policies and other sustainable procurement measures. Nonetheless, we are on track to achieve this target.

In collaboration with KPMG International, we created our first Climate Transition Plan, outlining all actions to achieving our carbon reduction target. We continue to share best practices across the KPMG network, with a particular focus on sustainable procurement and improving technology-related emissions data in light of increasing cloud and AI use. This builds on lessons from our own emissions profile, which show that measures such as procuring renewable electricity, electrifying the car fleet and implementing a strong business travel policy can contribute to significant emissions reductions. The updated emission factor in tCO2e/M$ of actual member firm emissions enables us to capture the effect of their decarbonization initiatives over time. The intended quantitative outcomes are presented below.

6.2 Monitoring and evaluation

The progress on these interventions is being tracked, on a quarterly basis internally and semi-annually externally[3], as required by the CO_2 Performance Ladder. Scope 3 results are communicated internally and externally, with transparency on gaps and improvements:
CO_2 Performance ladder Monitoring - KPMG Netherlands

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7. Conclusion

This updated value chain analysis highlighted the importance of targeted interventions to reduce emissions associated with the procurement of expertise from KPMG member firms. The first step, improving data quality, has proven to be valuable for understanding where the greatest emission reductions can be achieved. Moving from a sector-wide EEIO emission factor to a supplier-allocated spend-based factor provides a much clearer and more accurate picture of the actual impact.

Engaging stakeholders around transition plans remains the next critical element. By working closely with the member firms that account for the majority of emissions, KPMG N.V. is better able to understand the specific drivers of emissions and co-develop tailored decarbonization strategies. This requires continuous building strong relationships, facilitating open dialogue, and ensuring that transition plans are both ambitious and realistic. Regular progress reviews and clear accountability are necessary to maintain momentum and ensure that agreed actions are implemented.

Finally, leveraging expertise to lead by example is a powerful way to accelerate change throughout the value chain. By providing practical training, sharing best practices, and supporting procurement and sustainability teams, KPMG N.V. can foster a culture of continuous improvement and innovation.

Along our decarbonization pathway, the success of these interventions will depend on sustained commitment, transparent communication, and a willingness to adapt as new insights and challenges emerge. Further investigation should focus on harmonizing data standards, deepening collaboration with chain partners, and exploring innovative approaches to drive continuous improvement. By embedding sustainability into procurement and partnership practices, KPMG N.V. not only aims to meet regulatory and climate targets, but also to contribute to sector wide progress and broader societal impact.

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