



STATEMENT OF GHG EMISSIONS

This Statement of GHG Emissions accompanies the **KPMG U.S. 2022 Impact Plan** and provides information about the GHG emissions disclosed in that report. It explains how data was collected and calculations were performed, what constraints and limits were in place, and the context for the overall report.

GHG Emissions for the Years Ended September 30

All measures in tCO₂e

	Note	FY19	FY20	FY21
Scope 1 Emissions		6,756	4,687	3,449
On-site stationary combustion	6.1	6,756	4,653	3,247
Vehicle travel	6.2	0	34	23
Refrigerants	6.3	0	0	178
Renewable energy generated	6.4	0	0	0
Scope 2 Emissions		17,629	20,249	13,680
Purchased electricity (location based)	7	17,629	20,249	13,680
Scope 1 and 2 Emissions		24,385	24,936	17,129
Scope 3 Emissions		758,215	647,544	854,697
Category 1 – Purchased goods and services	8.1	470,607	517,275	835,442
Category 3 – Upstream and transmission	8.2	6,664	6,720	6,412
Category 6 – Business travel	8.3			
• Business travel, vehicles		19,595	10,991	3,474
• Business travel, by air		211,712	88,001	7,453
• Business travel, hotel stays		18,260	8,250	503
Category 7 – Employee commuting	8.4	27,018	13,406	1,413
Category 8 – Upstream Leased Assets	8.5	4,357	2,900	0
Scope 1, 2 and 3 Emissions		782,600	672,480	871,826

Intensity Metrics for the Years Ended September 30

	Unit	FY19	FY20	FY21
Scope 1 and 2 emissions	tCO ₂ e/individual	0.7	0.7	0.5
Scope 1, 2 and 3 (business travel only) emissions	tCO ₂ e/individual	7.9	3.4	0.7
Operating offices (i.e. excluding KPMG Lakehouse and data center) electricity consumption per square foot	kWh/ft ₂	11.2	9.4	6.4
All facilities electricity consumption per square foot	kWh/ft ₂	13.7	13.5	10.1

The emissions per individual are calculated using the average KPMG U.S. headcount from the first and last day of the fiscal year (October 1 – September 30).

1. Reporting Entity

KPMG LLP (KPMG or the firm) is the U.S. member firm of the KPMG global organization of independent professional services firms providing audit, tax, and advisory services. Each KPMG firm is a legally distinct and separate entity and describes itself as such. Our U.S. firm operates from [more than 100 offices](#) with over 35,000 partners and professionals. KPMG operates as a Delaware limited liability partnership, and we are wholly owned by our partners and principals (referred to collectively as partners). Full details about the services we offer can be found online [here](#).

Facilities comprise operating offices, our learning and innovation center (KPMG Lakehouse), and a data center.

2. Basis of Preparation

GHG emissions have been accounted for, and are reported in accordance with, the following resources of the World Resources Institute and World Business Council for Sustainable Development:

- Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard
- GHG Protocol: Scope 2 Guidance
- GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

GHG emissions are reported consistent with our September 30 fiscal year-end.

All data is independent of allowances, trades, sales, offsets and similar.

3. Base Year

KPMG set the period October 1, 2018 through September 30, 2019 (FY19) as the base year.

In 2021, as part of having our net-zero goals verified by the Science Based Target initiative (SBTi), we rebased our FY19 performance to include additional categories of emissions from our supply chain, upstream and transmission, hotel stays, and employee commuting (see Note 5). The base year includes Scope 1, 2 and 3 GHG emissions, and Scope 2 reflects the use of the location-based method.

4. Organizational Boundaries

- KPMG applies the operational control approach, which means we account for 100% of the GHG emissions from operations over which we have control. KPMG defines operational control as having the authority to introduce and implement operational policies over an asset or a location.
- Except as indicated in Note 5, all known activities within our supply chain but outside of our direct control are recorded in Scope 3 indirect emissions.

5. Operational Boundaries

The statement of GHG emissions highlights the scopes and categories on which KPMG is reporting. The following are excluded:

• Scope 2

Purchased steam, heat and cooling is no longer included because the underlying data was not available or not of sufficient quality. As a result, Scope 2 emissions have been updated for comparative periods to include only purchased electricity.

• Scope 3

The following categories are not included because they are either not relevant to KPMG operations or not material: Category 2 (capital goods), category 9 (downstream transportation and distribution), category 10-12 (related to sold products), category 13 (downstream leased assets), category 14 (franchises), category 15 (investments).

- **Scope 3 (cont'd)**

Category 5 (waste generated in operations) is not included because the underlying data is not available or not of sufficient quality.

Category 7 (employee commuting) is being reported for the first time in FY21, and comparative periods have been updated accordingly. Teleworking (i.e. employees working remotely) is an optional sub-category of employee commuting and is not included. KPMG has initiated the process for collecting and reporting telework.

Category 8 (upstream leased assets) for FY21 is not included because data was not available for leased assets.

6. Scope 1 Methodology

6.1 On-site combustion

- On-site combustion emissions = (natural gas consumed) x (natural gas emissions factor)
- KPMG collected on-site combustion data from staff and contractors assigned to properties owned by KPMG.
- All data collected was substantiated against source documentation from utility or service providers

6.2 Refrigerants

- Refrigerant emissions = (Amount of refrigerant A consumed x Refrigerant A emission factor) + (Amount of refrigerant B consumed x Refrigerant B emission factor)
- KPMG collected refrigerants data from staff and contractors assigned to properties owned by KPMG
- All data collected was substantiated against source documentation from utility or service providers.

6.3 Vehicle travel

- Scope 1 vehicle travel emissions = (miles driven or diesel volume) x (emission factor for vehicle type)
- Scope 1 vehicle travel was incurred during the transport of employees in KPMG vehicles.
- Mileage and fuel consumption data was logged by staff for all vehicles.
- Supporting documentation included fuel receipts and odometer photos, as well as the vehicle maintenance logs.

6.4 Electricity – Solar

- Solar electricity is generated by a KPMG-owned 500 kW solar installation at our Montvale, New Jersey operating office. However, no environmental benefits for solar energy generation are claimed by KPMG because the generated solar Renewable Energy Certificates (SRECs) were sold into the New Jersey SREC market.

7. Scope 2 Methodology

- Scope 2 electricity consumption emissions = (kWh of consumption for eGrid A x eGrid A emission factor) + (kWh of consumption for eGrid B x eGrid B emission factor)
- KPMG applied the location-based method for calculating purchased electricity emissions. Contractual purchased electricity information was not available to support the market-based method.
- Purchased electricity was calculated for leased properties by collecting data from offices where sub-metered KPMG electricity consumption could be obtained from the property manager or the utility provider. KPMG calculated a weighted kWh/sq. foot average based on verified electricity data and applied this weighted average to the remaining offices. We considered the weighted average to be representative of all offices.

8. Scope 3 Methodology

Scope 3 data collection included drawing data from numerous systems, including:

- Procurement systems for purchased goods and services
- Travel and expense systems for business travel
- Human resource systems for employee commuting

No emissions were calculated using data from suppliers or other supply chain partners.

8.1 Category 1 – Purchased goods and services

- KPMG followed a spend-based method for calculating Category 1 purchased goods and services.
- Procurement systems provided spend data aligned to internally consistent categories.
- The Quantis Scope 3 calculator ([Scope 3 Evaluator \(quantis-suite.com\)](https://www.quantis-suite.com)) was used for converting spend in USD to CO₂e.

8.2 Category 3 – Upstream and transmission

- Category 3A – Upstream emissions from purchased fuels
 - Used the Average-data method
- Category 3B – Upstream emissions of purchased electricity
 - Used the Average-data method
- Category 3C – Transmission and distribution losses
 - Used the Average-data method

8.3 Category 6 – Business travel

- The following business travel data was collected from external travel agencies and KPMG systems:
 - Distance traveled and class of ticket for air travel
 - Miles driven for rental vehicles, taxis, app-based ride programs and reimbursed mileage
 - Nights for hotel stays

- Air travel
 - Air travel emissions = (short haul miles x short haul emission factor) + (medium haul miles x medium haul emission factor based on class of ticket) + (long haul miles x long haul emission factor based on class of ticket)
 - Flights were grouped into short haul (up to 1,200km), medium haul (1,201km – 3,700km), and long haul (over 3,700km)
- Vehicles
 - Vehicle emissions = (total miles driven) x (emission factor for vehicles)
 - Vehicles included were rental vehicles, personally owned vehicles, taxi, Uber/Lyft, and car services. Rail travel was excluded.
- Hotel stays
 - Hotel emissions = (hotel nights for country A x hotel night emission factor for country A) + (hotel nights for country B x hotel night emission factor for country B)
 - Hotel stays were broken out by country.

8.4 Category 7 – Employee commuting

- Employee commuting emissions = (presentism %) x ((Headcount x % of employees who drive to work x vehicle emission factor) + (Headcount x % of employees who subway/metro to work x vehicle emission factor)) x (average daily round trip commute)
- Presentism is measured as the percentage of employees who are in a KPMG office per working day. This data is provided by KPMG Operations.
- Headcount and daily round trip commute distance were supplied through human resources systems.
- Employee means of transportation to work was derived from the U.S. Census Bureau's American Commuting Survey data. The U.S. Census Data includes multiple modes of transportation including walking, biking, motorcycle, privately owned vehicle with single passenger, privately owned vehicle with multiple passengers, taxi, car service, subway, metro, rail, and tram or streetcar. Data is available from the U.S. Census Bureau.

8.5 Category 8 – Upstream leased assets

- Used the lessor-specific method
- Upstream leased assets = (eGrid emission factor for each eGrid) x (KPMG LLP relevant electricity consumption in kWh provided by each lessor)
- Due to unavailable data in FY21, KPMG was not able to collect common space upstream leased asset data for leased buildings. Going forward KPMG will not collect this information.

9. Emission Factors and Global Warming Potentials

Where applicable, the following emission factors include underlying greenhouse gas composition. These may include the following gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), nitrogen trifluoride (NF₃), and sulphur hexafluoride (SF₆). Global Warming Potentials (GWP) are noted after each emission factor source and refer to the use of either the International Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) or Fifth Assessment Report (AR5).

Scope 1

Refrigerants

- Dept. for Business, Energy & Industrial Strategy - 2021 v1.2 (GWP AR4 Applied)
- Climate Leaders 2021 V1.1 (GWP AR4 Applied)

Vehicle travel

- Dept. for Business, Energy & Industrial Strategy (BEIS) - 2021 v1.2 (GWP AR4 Applied)
- Climate Leaders 2021 V1.1 (GWP AR4 Applied)

On-site combustion

- Greenhouse Gas Protocol V1.3 (GWP AR5 Applied)

Scope 2

Purchased electricity (location-based)

- U.S. Environmental Protection Agency eGRID (Sub Region & US Average) - 2019 v1.1 (GWP AR4 Applied)

Scope 3

Vehicle travel

- Dept. for Business, Energy & Industrial Strategy (BEIS) - 2021 v1.4 (GWP AR4 Applied)

Air travel

- Dept. for Business, Energy & Industrial Strategy (Radiative Forcing +8% Uplift) - 2021 v1.2 (GWP AR4 Applied)

Hotel accommodation

- Dept. for Business, Energy & Industrial Strategy (BEIS) - 2021 v1.2 (GWP AR4 Applied)

Upstream and transmission

- International Energy Agency (IEA) 2021 v1.2 (GWP AR4 Applied)
- Dept. for Business, Energy & Industrial Strategy (BEIS) - 2021 v1.2 (GWP AR4 Applied)

Contact us

Darren McGann

Director
Corporate Sustainability
KPMG LLP
us-green@kpmg.com

kpmg.com/socialmedia



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