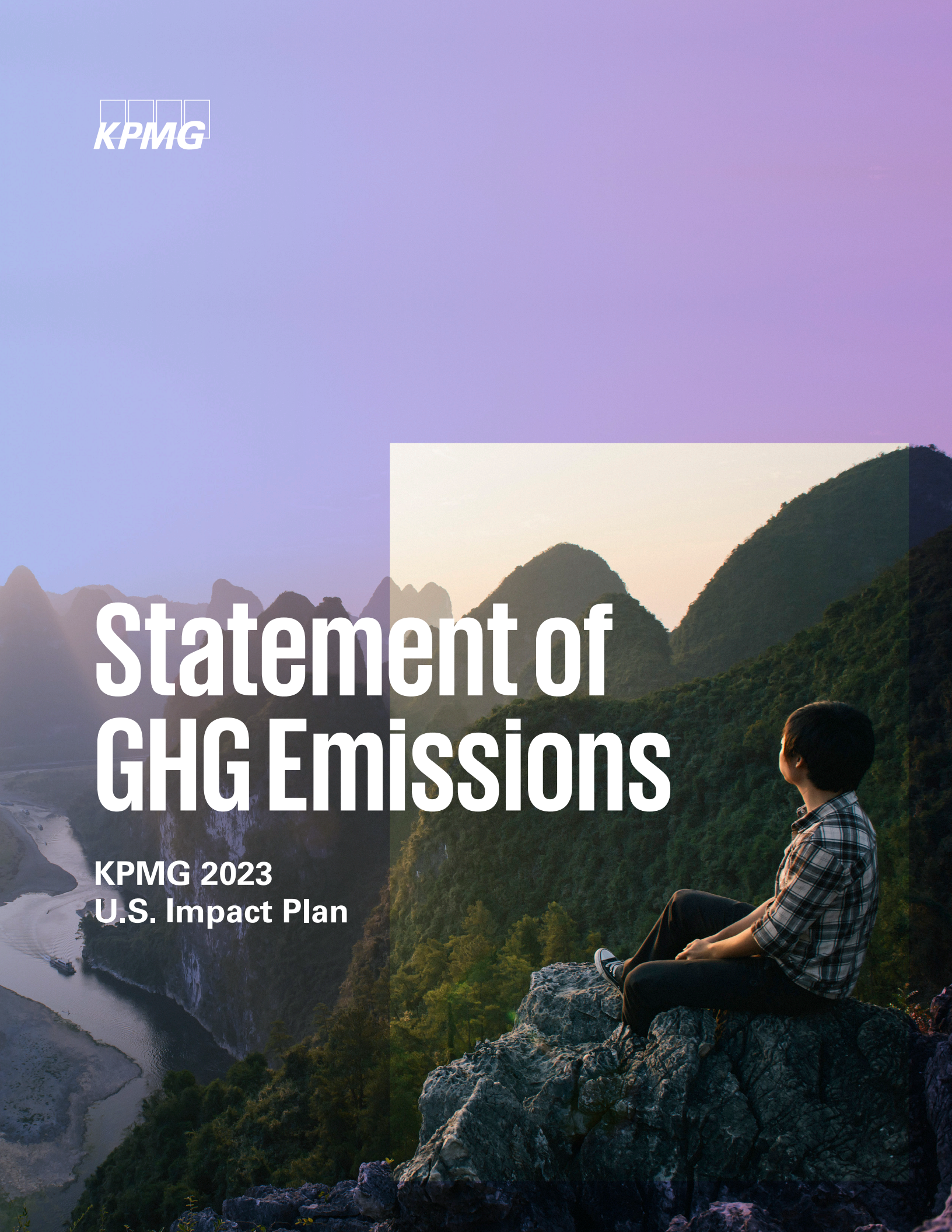




Statement of GHG Emissions

**KPMG 2023
U.S. Impact Plan**



This Statement of GHG Emissions accompanies the **KPMG 2023 U.S. Impact Plan** and provides information about the greenhouse gas (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.

Information in this statement covers the activities of KPMG LLP (“KPMG” henceforth). Fiscal year (FY) data covers the period of October 1 to September 30.

Year-over-year GHG emissions

All values in tCO₂e*

	Note**	FY 2019 Base year	FY 2020	FY 2021	FY 2022
Scope 1 emissions		6,756	4,687	3,449	3,531
On-site stationary combustion	6.1	6,756	4,653	3,247	3,242
Vehicle travel	6.2	0	34	23	152
Refrigerants	6.3	N/A	N/A	178	137
Scope 2 emissions					
Purchased electricity (location-based)	7	17,629	20,249	13,680	13,349
Purchased electricity (market-based)	7	0	0	0	0
Scope 3 emissions		758,215	647,544	854,697	825,243
Category 1 – Purchased goods and services, and Category 2 – Capital goods	8.1	470,607	517,275	835,442	724,519
Category 3 – Upstream and transmission	8.2	6,664	6,720	6,412	6,640
Category 6 – Business travel	8.3	249,567	107,242	11,430	83,277
• Business travel, vehicles		19,595	10,991	3,474	9,187
• Business travel, by air		211,712	88,001	7,453	71,734
• Business travel, hotel stays		18,260	8,250	503	2,356
Category 7 – Employee commuting	8.4	27,018	13,406	1,413	10,808
Category 8 – Upstream leased assets	8.5	4,357	2,900	N/A	N/A
Scope 1, 2, and 3 emissions					
– includes Scope 2 purchased electricity (location-based)		782,600	672,480	871,826	842,123
– excludes Scope 2 purchased electricity (market-based)					
Scope 1, 2, and 3 emissions					
– excludes Scope 2 purchased electricity (location-based)		764,971	652,231	858,146	828,783
– includes Scope 2 purchased electricity (market-based)					

*Metric tons of carbon dioxide equivalent (tCO₂e)

**Refer to Notes section, page 2.

Data supporting the firm’s current methodologies and measurements for relevant emissions and/or carbon claims is set forth in the appendices hereto.

Additional year-over-year metrics

	Unit	Note	FY 2019 Base year	FY 2020	FY 2021	FY 2022
Electricity consumption	MWh	7	59,926	70,150	50,142	49,192
Renewable energy certificates (RECs) retired	MWh	7	59,926	70,150	50,142	49,192
Carbon offsets retired	tCO ₂ e	4	0	0	0	4,000
Scope 1 and 2 emissions (location based)	tCO ₂ e/ individual	*	0.7	0.7	0.5	0.5
Scope 1, 2 (location-based), and 3 (business travel only) emissions	tCO ₂ e/ individual	*	7.9	3.4	0.7	2.7
Operating offices (excluding KPMG Lakehouse and data center) electricity consumption per square foot	kWh/ft ²		11.2	9.4	6.4	5.7
All facilities electricity consumption per square foot	kWh/ft ²		13.7	13.5	10.1	10.0

*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).

Additional FY 2022 GHG metrics

	Unit	Note	CH ₄	N ₂ O	CO ₂
On-site stationary combustion	mt*	9	0.061	0.006	3,239
Electricity consumption	mt	9	0.882	0.115	13,292

*Metric tons (mt)

Notes

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 90 offices](#) with over 39,000 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

KPMG has prepared the greenhouse gas emissions schedules and related notes for the year ended September 30, 2022, in accordance with the World Resources Institute and World Business Council for Sustainable Development's Greenhouse Gas Protocol standards and guidance (collectively, the GHG Protocol):

- Scope 1 emissions have been prepared in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition).
- Scope 2 emissions have been prepared in accordance with The Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard.
- Scope 3 emissions have been prepared in accordance with The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

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

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

The methodologies followed in calculating emissions are disclosed in notes 6 to 8. There have been no material changes to the methodologies used in calculating emissions. In 2022, KPMG implemented a new software system to calculate its emissions. Historical information was not changed as a result of this implementation.

3. Base year

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

In 2021, we re-baselined our FY 2019 performance to include additional categories of emissions from our supply chain, upstream and transmission, hotel stays, and employee commuting. The base year includes Scope 1, 2, and 3 GHG emissions. Our Scope 2 emissions reflect the use of both location-based and market-based methods.

The base year is recalculated if there are changes in any of the following that are significant either individually or in aggregate (see note 2):

- Structural changes in the organizational boundary, including acquisitions and divestments
- Changes in calculation methodology or improvements in the accuracy of emission factors or activity data that result in a significant impact on the base year emissions data

4. Organizational boundaries

KPMG applies the operational control approach, which means that we account for 100% of the GHG emissions from operations over which we have control in the United States, including the territory of Puerto Rico. 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 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 categories are excluded:

- **Scope 2**

Purchased steam, heat, and cooling data is not material.

- **Scope 3**

- The following categories are not included because they are either not relevant to KPMG operations or not material: Category 4 (upstream transportation and distribution), category 9 (downstream transportation and distribution), categories 10–12 (related to sold products), category 13 (downstream leased assets), category 14 (franchises), and category 15 (investments). These categories are either not relevant to KPMG operations or not material.
- Category 5 (waste generated in operations) data is not available or not of sufficient quality.

Scope 3 category 7 (employee commuting) was reported for the first time in FY 2021, and comparative periods have been updated accordingly. Teleworking (employees working remotely) is an optional subcategory of employee commuting and is not included. KPMG has initiated a process for collecting and reporting telework.

6. Scope 1 methodology

6.1 On-site stationary combustion

- Baseline formula: on-site stationary combustion emissions = (natural gas consumed) x (natural gas emissions factor)
- KPMG collected on-site combustion data from a third-party utility data aggregation service.
- All data collected was substantiated by against source documentation from utility or service providers.

6.2 Vehicle travel

- Scope 1 vehicle travel emissions = (miles driven or fuel 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, odometer photos, and vehicle maintenance logs.

6.3 Refrigerants

- Refrigerants emissions = sum of (amount of refrigerant₁ consumed x refrigerant₁ emission factor), (amount of refrigerant₂ consumed x refrigerant₂ emission factor),... (amount of refrigerant_n consumed x refrigerant_n emission factor)
- KPMG collected refrigerant data from staff and contractors assigned to properties owned by KPMG.
- All data collected was substantiated by source documentation from utility or service providers.
- Refrigerant usage data was unavailable for FY 2019 and FY 2020.

6.4 Carbon offsets retired

For FY 2022, KPMG purchased 4,000 metric tons of carbon offsets from a U.S.-based reforestation project. The purchase was made from Arbor Day Carbon, American Carbon Registry – GreenTrees ACRE (Advanced Carbon Restored Ecosystem), Project No: ACR114 and relates to Afforestation and Carbon Removal located in the Mississippi Alluvial Valley in the U.S. Forest Service South Central and Southeast Regions. Please be advised that KPMG uses the following protocols to estimate emissions reductions or removal benefits: (i) ISO 14064-3:2006 “Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions”; (ii) Validated Project Plan “Advanced Carbon Restored Ecosystem (ACRE), December 13, 2011; (iii) ACR Standard, October 2010, v2.1; (iv) ACR Forest Carbon Project Standard, November 2010, v2.1 (Forest Standard); (v) ACR Validation and Verification Guideline for GHG Projects, May 2018, v1.1; (vi) Afforestation and Reforestation (A/R) methodological tool “Tool for testing significance of GHG emissions in A/R CDM project activities, Version 01”; (vii) ACR Risk Buffer Rating Tool, v1.0; (viii) ACR Methodology for Afforestation and Reforestation of Degraded Land, Version 1.0, March 2011 (Methodology), together with the following procedures and tools: (a) Approved CDM “Tool for the identification of degraded or degrading lands for consideration in implementing CDM A/R project activities”; (b) Approved CDM tool “Estimation of the increase in GHG emissions attributable to displacement of pre-project agricultural activities in A/R CDM project activity”; (c) Approved CDM “Tool for estimation of change in soil organic carbon stocks due to the implementation of A/R CDM project activities, Version 01”; and (d) Approved CDM “Combined tool to identify the baseline scenario and demonstrate the additionality in A/R CDM project activities.

7. Scope 2 methodology

- Purchased electricity values for owned properties were derived directly from utility statements.
- Purchased electricity values for leased properties where sub-metering was in place were derived from sub-metered statements provided by property managers and electricity providers.
- Purchased electricity values for leased properties where sub-metering is not in place was calculated by collecting data from sub-metered KPMG offices (above). KPMG calculated a weighted kWh/square foot average based on verified electricity data and applied this weighted average to the remaining offices through a tool within the KPMG carbon accounting system of record. We considered the weighted average to be representative of all offices.
- KPMG applied both the location-based method and market-based method for calculating purchased electricity emissions.

- As noted above, the location-based method used eGrid factors and consumption per office. Location-based emissions = sum of (kWh of consumption for eGrid₁ x eGrid₁ emission factor), (kWh of consumption for eGrid₂ x eGrid₂ emission factor), ... (kWh of consumption for eGrid_n x eGrid_n emission factor)
- The market-based method includes the purchase of unbundled Green-e certified wind renewable energy certificates (RECs). In FY 2022, RECs equivalent to KPMG’s total electricity consumption were retired.

8. Scope 3 methodology

Scope 3 data is collected from numerous systems, including:

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

8.1 Category 1 – Purchased goods and services

- KPMG followed a spend-based method for calculating category 1 purchased goods and services.
- Category 2 capital goods were calculated in combination with category 1 purchased goods and services.
- Procurement systems provided spend data aligned with internally consistent categories.

The Quantis Scope 3 calculator, [the Scope 3 Evaluator](#), was used for converting business spend on purchased goods and services from USD to tCO₂e.

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

- Air travel
 - Commercial 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 1,200 km), medium haul (1,201–3,700 km), and long haul (over 3,700 km)
 - Charter air travel emissions = sum of (fuel consumed per flight x emission factor for given fuel)

- Vehicles
 - Vehicle emissions = (total fuel consumed per fuel type) x (emission factor for fuel type)
 - Vehicle emissions included emissions from rental vehicles, personally owned vehicles, app-based ride services, and car services. Rail travel was excluded because of the lack of data. 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

- The following data was collected to calculate employee commuting:
 - The number of employee trips per day is measured by counting unique badge swipes. KPMG Operations provided this data
 - Average distance employees travel to assigned office.
 - Transportation mode percentage for KPMG employees was taken from the FY 2022 commuting survey of KPMG employees.
- Employee commuting calculations:
 - Average commute per office x # of unique badge swipes per office x 2 = total round-trip mileage per office per year
 - Sum of (each total round trip per office) = total employee commute miles (TECM)
 - TECM x (% vehicle travel from employee survey) x (vehicle emission factor) = employee commute, vehicle GHG emissions
 - TECM x (% train travel from employee survey) x (train emission factor) = employee commute, train GHG emissions
 - TECM x (% motorcycle travel from employee survey) x (motorcycle emission factor) = employee commute, motorcycle GHG emissions
 - TECM x (% bus travel from employee survey) x (bus emission factor) = employee commute, bus GHG emissions
 - Sum of GHG emissions from all travel modes = category 7, employee commuting

8.5 Category 8 – Upstream leased assets

- Category 8 is immaterial to KPMG for FY 2022.

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 sulfur hexafluoride (SF₆). Global Warming Potentials (GWP) are noted after each emission factor source and refer to the use of either the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) or Fifth Assessment Report (AR5).

Scope 1

Refrigerants

- U.S. Environmental Protection Agency 2022 (GWP AR4 applied, R-404A, R-407A)
- Greenhouse Gas Protocol v1.3 (GWP AR5 applied, R-134A)
- Honeywell (GWP AR5 applied, R-513A, R-448A)

Vehicle travel

- U.S. Energy Information Administration – October 2022 (GWP AR4 applied)

On-site combustion

- U.S. Environmental Protection Agency 2022 (GWP AR4 applied)

Scope 2

Purchased electricity (location-based)

- U.S. Environmental Protection Agency eGRID (subregion & U.S. average) – eGRID2020 (GWP AR4 applied)

Purchased electricity (market-based)

- 100% of KPMG electricity consumption occurs in areas where market instruments are available, so KPMG is able to procure market instruments (RECs that meet the Scope 2 Quality Criteria) for 100% of its electricity consumption.

Scope 3

Vehicle travel

- U.S. Energy Information Administration – October 2022 (GWP AR4 applied)

Air travel

- Department for Business, Energy & Industrial Strategy (Radiative Forcing +8% Uplift) – 2022 v2.0 (GWP AR4 applied)

Hotel accommodation

- Department for Business, Energy & Industrial Strategy 2022 v2.0 (GWP AR5 applied)

Upstream and transmission

- International Energy Agency 2022 v1.3 (GWP AR4 applied)
- Department for Business, Energy & Industrial Strategy 2022 v1.3 (GWP AR4 applied)

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