

2014 'Basis of Reporting'

Due to the nature of the data collected and reported, Deloitte's environmental performance data is calculated on the basis of a number of assumptions. The following is a list of the key assumptions identified during the course of our work, which we believe ought to be disclosed as supplementary information to both the environmental performance figures reported and to our Assurance Statement.

GHG conversion rates

The Deloitte Carbon Footprint data collected (reported under Scopes 1, 2 and 3 as described below), is multiplied by the relevant carbon conversion factors contained in the Defra/DECC guidelines 'Greenhouse Gas Conversion Factors for Company Reporting', issued on 1 June 2014. These conversion rates are uplifted to reflect the 4th GHG protocol (seen as best practice as this reflects the most recent carbon research). This provides the total Carbon Footprint, reported in tonnes of Carbon Dioxide equivalent (CO₂e).

This year Deloitte have updated their process for applying the DEFRA emissions factors to their metrics in line with public guidance. They have applied the emissions factors released from FY11 onwards to the metrics for the associated year (as opposed to applying the latest emissions factors to the preceding 3 years of data).

Scope 1 - Direct emissions from gas, refrigerants, generators and firm owned vehicle fleet

The reported emissions for gas are based on a combination of manual meter readings, usage data obtained from invoices and, where actual data was not available, consumption inferred usage based on Econ 19. For all offices, the Net Calorific Value conversion factor is used to calculate Deloitte's carbon emissions from gas consumption.

Carbon emissions relating to the use of refrigerants is on the basis of volumes topped up by specialist contractors; generators on the basis of inferred usage during routine maintenance testing; and mileage from the firm owned van that has been captured using manual odometer readings.

Scope 2 - Indirect emissions from purchased electricity

Electricity data is obtained from Automatic Meter Readers (AMR) for all main campus London sites and a number of regional offices, manual meter readings, and usage data obtained from invoices. In the offices that were taken on towards the end of the financial year, before the standard reporting procedures were established, consumption has been inferred based on Econ 19.

Scope 3 - Other emissions from business travel and waste

Scope 3 emissions are calculated from business travel (air, rail, bus, car rental, taxi, reimbursed mileage distances and hotel nights), waste production (recyclables, confidential paper, composting, waste-to-energy and waste-to-landfill) and transmission and distribution losses from electricity consumption.

All travel expenses are recorded in the internal expenses system, SAP. The SAP system does not provide detailed information, so breakdowns of the air and rail data must be obtained from the designated supplier, Carlson Wagonlit Travel (CWT). Not all travel is booked through CWT however, so the totals recorded in SAP are assumed to be taken in the same proportion to travel booked through CWT.

All reported travel is based on travel expenses posted in the financial year.

Air

Deloitte has applied an 8% uplift to air travel mileage to account for non-direct routes, delays and circling in accordance with Defra guidance. It does not include radiative forcing. In addition, Deloitte assume that air travel not booked through CWT, is in the same proportion as that booked through CWT. Air travel is split between:

- domestic;
- continental economy;
- continental business;
- intercontinental economy;
- intercontinental premium economy;
- intercontinental business; and
- intercontinental first travel.

Rail

Deloitte assume that rail travel not booked through CWT, is in the same proportion (calculated as a split between National and Continental rail) as that booked through CWT.

Bus

Deloitte has used average bus travel information from Transport for London (TfL) and assumed that this is applicable to the UK as a whole. In addition, Deloitte has assumed that Bus travel represents 2% of rail travel, based on prior year methodology.

The cost applied from TfL was calculated and published by TfL in 2006/07 and has not been adjusted since. Therefore Deloitte has inflated this cost using the Retail Price Index (RPI) for bus and coach fares over the past six years to obtain a more reasonable cost for 2013/14.

Car Rental

Deloitte assume that car rental expenses recorded in SAP not booked through its preferred supplier, are in the same proportion (calculated as a km per £ spend) as that booked through its preferred supplier. The 'Average Car (Unknown Fuel)' conversion is applied to this data.

Taxis

Deloitte use Addison Lee as their preferred taxi services provider. They provide Deloitte with the mileage summary and total spend for the year. The diesel (medium car) conversion factor to calculate the carbon emissions.

For the remaining taxi expenditure recorded in SAP, Deloitte assume that these were undertaken in black cabs. The Transport for London (TfL) average values for distance and costs of these journeys are applied to both the UK and its Swiss operations to calculate the remaining taxi miles travelled.

Hotels

Deloitte assume that Hotel stays not booked through CWT are in the same proportion (calculated as a split between Domestic and International accommodation) as that booked

through CWT. This proportion has been adjusted to take account of expenses incurred during an average hotel stay (assumed to be 20%, based on CWT data). Swiss hotels are categorized as international accommodation.

Defra/DECC guidelines do not provide specific conversion factors for hotel usage, therefore a specific conversion factor published by The Carbon Neutral Company is applied.

Reimbursed Mileage

Due to limitations in the nature of the data collected, Deloitte has applied the 'Average Car (Unknown Fuel) conversion factor to the total mileage claimed in a year.

Waste

Deloitte have assumed an average weight of waste per bag and this is applied to the numbers of bags of waste generated at each site. For London and majority of the regional offices, the number of bags are known and are specifically used in the CO₂ calculations. For other sites, the total waste for the office is known and Deloitte have assumed that the waste generated by their operations is in line with the proportion of the office occupied.

Waste is divided by its content and method of disposal: mixed recyclables, confidential paper, composting, waste-to-energy and waste-to-landfill.

Deloitte report all waste from their UK and Swiss offices.

Other metrics

Video Conferencing

Deloitte report the number of meetings booked during the year through the central system that administers all video-conference bookings in the UK and Switzerland.

Water

Where possible Deloitte obtain actual data from meter readings, accounting for approximately 80% of reported consumption, and this is reported as collected. Collected data along with the desk utilisation figures gathered by the Workplace team is used to calculate the average water usage per occupant across all offices. For the offices that don't have direct readings, inferred water usage is calculated using this benchmark and the known occupancy to estimate the water consumption. This has been updated from prior years, where raw FTE data was taken from the HR records and the standard 6m³ benchmark from the UK government applied, in order to provide more accurate calculations.

In Switzerland, actual meter readings are obtained in Zurich (accounting for 55% of Swiss water consumption) but data is not available in the remaining offices. Deloitte combine the Swiss FTE with the UK government benchmark as that is the only one available. This approach does not provide the same degree of accuracy as calculations using desk utilisation figures however, the potential error is not material as inferred water consumption for Swiss offices accounts for approximately 2 % of total water consumption.

Paper Usage

Deloitte report usage in terms of kilograms of paper purchased.

Green Electricity

The % green electricity data is obtained from the Deloitte Carbon Reduction Commitment (CRC) submission so covers the CRC reporting year (April to March), not the financial reporting year (June to May).