



Statement of GHG Emissions

Supplemental Disclosure to the
2024 KPMG U.S. Impact Plan

GRANT THORNTON LLP

 1801 California St., Suite 3700
 Denver, CO 80202

D +1 303 813 3945
F +1 303 839 5711

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

 Management
 KPMG LLP

We have reviewed the greenhouse gas (“GHG”) emissions, listed in the following table and the related disclosures, (the “Subject Matter”) of KPMG LLP and its subsidiaries (the “Firm”) for the year ended September 30, 2023.

Subject Matter	Criteria
- Scope 1 GHG emissions	World Resources Institute and World Business Council for Sustainability Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and the GHG Protocol Scope 2 Guidance.
- Scope 2 GHG emissions: Location-based purchased electricity - Scope 2 GHG emissions: Market-based purchased electricity	
- Scope 3 GHG emission categories <ul style="list-style-type: none"> - Category 1: Purchased goods and services and Category 2: Capital goods - Category 3: Fuel-and energy-related activities (not included in scope 1 or 2) - Category 6: Business travel - Category 7: Employee commuting 	

The Firm’s management is responsible for the Subject Matter in accordance with the criteria set forth in the above table (collectively, the “Criteria”). Our responsibility is to express a conclusion on the Subject Matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AT-C section 210, *Review Engagements*, which supplements AT-C section 105, *Concepts Common to All Attestation Engagements*). Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Subject Matter in order for it to be presented in accordance with the Criteria. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the Subject Matter is presented in accordance with the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the

engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The procedures we performed were based on our professional judgment and consisted primarily of analytical procedures and inquiries. In addition, we obtained an understanding of the Firm's business processes relevant to the review in order to design appropriate procedures.

The preparation of the Subject Matter requires management to evaluate the Criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Measurement of certain amounts, some of which may be referred to as estimates, is subject to substantial inherent measurement uncertainty. Obtaining sufficient appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the amounts and metrics. The selection by management of different but acceptable measurement techniques could result in materially different amounts or metrics being reported.

The Additional Metrics and Other Disclosures included on page 4 and the entirety of note 11 within this Statement of Greenhouse Gas Emissions, as well as all disclosures within the KPMG LLP 2024 U.S. Impact Plan, unless denoted by footnote as third party assured, are presented by management of the Firm and are not part of the Subject Matter. Such information has not been subjected to the procedures applied in the review engagement, and accordingly, we do not express an opinion or provide assurance on it.

Based on our review, we are not aware of any material modifications that should be made to the Subject Matter of KPMG LLP for the year ended September 30, 2023, in order for it to be presented in accordance with the Criteria.

Grant Thornton LLP

Denver, Colorado
April 15, 2024

Statement of Greenhouse Gas Emissions

This Statement of Greenhouse Gas (GHG) Emissions accompanies the **2024 KPMG U.S. 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.

Information in this statement covers the activities of KPMG LLP which is the KPMG U.S. member firm. ("KPMG" henceforth). Fiscal year (FY) data covers the period of October 1 to September 30.

GHG Emissions for the Years Ended September 30

All values in mtCO₂e

	Note	FY2019 ¹	FY2021	FY2022	FY2023 ²
Scope 1 emissions	8	6,756	3,448	3,531	2,860
On-site stationary combustion	8	6,756	3,247	3,242	2,536
Vehicle travel	8	0	23	152	130
Fugitive emissions	8	N/A	178	137	194
Scope 2 emissions	9				
Purchased electricity (location-based)	9	17,629	13,680	13,349	14,739
Purchased electricity (market-based)	9	0	0	0	70
Scope 3 emissions	10	753,856	854,697	241,273	440,319
Category 1–Purchased goods and services & Category 2–Capital goods	5c, 10	470,607	835,442	140,548	294,965
Category 3–Fuel and energy-related activities (not included in scope 1 or 2)	10	6,664	6,412	6,640	6,906
Category 6–Business travel	10	249,567	11,430	83,277	117,810
Business travel, vehicles	10	19,595	3,474	9,187	3,008
Business travel, by air	10	211,712	7,453	71,734	112,004
Business travel, hotel stays	10	18,260	503	2,356	2,798
Category 7–Employee commuting	10	27,018	1,413	10,808	20,638
Scope 1, 2 and 3 emissions Includes Scope 2 Purchased electricity (location-based) excludes Scope 2 Purchased electricity (market-based)		778,241	871,825	258,153	457,918
Scope 1, 2 and 3 emissions excludes Scope 2 Purchased electricity (location-based) Includes Scope 2 Purchased electricity (market-based)		760,612	858,145	244,804	443,249

¹Base year

²FY2023 GHG emissions data was subject to review by independent certified public accountants. Refer to report on page 1.

Additional Metrics for the Years Ending September 30

	Unit	Note	FY2019 ³	FY2021	FY2022	FY2023
Electricity consumption	MWh	8	59,926	50,142	49,192	54,521
Renewable Energy Certificates (RECs) retired Carbon offsets retired	MWh	8	59,926	50,142	49,192	54,347
Carbon offsets retired	mtCO ₂ e	11	0	0	4,000	4,000
Scope 1 and 2 emissions (location-based)	mtCO ₂ e/individual	*	0.7	0.5	0.5	0.5
Scope 1, 2 (location based) and 3 (business travel only) emissions	mtCO ₂ e/individual	*	7.9	0.7	2.7	3.6
Operating offices (excluding KPMG Lakehouse and data center) electricity consumption per square foot	kWh/ft ²	3	11.2	6.4	5.7	5.9
All facilities electricity consumption per square foot	kWh/ft ²	3	13.7	10.1	10.0	11.2

³Base year

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

1 Reporting Entity

KPMG 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. The U.S. firm operates from [more than 90 offices](#), is organized as a Delaware limited liability partnership, and is wholly owned by its partners and principals (referred to collectively as partners). Full details about the services KPMG offers can be found online [here](#).

2 Basis of Preparation

KPMG has prepared the Statement of Greenhouse Gas Emissions and related notes for the year ended September 30, 2023, in accordance with the World Resources Institute and World Business Council for Sustainability Development, Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), and the GHG Protocol Scope 2 Guidance, (collectively, the “GHG Protocol” or the “Criteria”).

GHG emissions are reported consistent with the firm’s September 30 fiscal year-end.

The methodologies followed in calculating emissions are disclosed in notes 8 to 10.

- KPMG changed its methodology for calculating emissions for Scope 2 when metered electricity data is not available, as described in note 9.
- KPMG changed the source of emission factors used in the spend-based method for calculating Scope 3, Category 1, Purchased Goods & Services and Category 2, Capital Goods, as described in note 10.
- KPMG changed its methodology for calculating Scope 3, Category 6, Business Travel – rental cars, as described in note 10.

3 Organizational Boundary

KPMG applies the operational control approach, which means that it accounts for 100% of the GHG emissions from operations over which it has control in North America, which includes operations in the United States, territory of Puerto Rico, and Mexico. KPMG defines operational control as having the authority to introduce and implement operational policies over an asset or a location. Facilities consist of operating offices, KPMG Lakehouse – the firm’s learning and innovation center, a data center, and a recently opened Mexico-based support center.

KPMG leverages support from an offshore support group over which it does not have operational control. This entity reports its emission separately through the KPMG global entity. As such, KPMG does not include this entity in its organizational boundaries.

Except as indicated in note 5, all known activities within KPMG’s supply chain, but outside of its direct control, are recorded in Scope 3 indirect emissions.

4 Use of estimates and estimation uncertainties

KPMG bases its estimates and methodologies on historical experience, available information, and various other assumptions that it believes to be reasonable. Emissions data presented are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

5 Operational Boundaries

Emissions are calculated and presented independent of any GHG trades such as sales, purchases, transfers, or banking of allowances.

a. Scope 1 Emissions

Scope 1 emissions are direct emissions from the combustion of fuel from owned properties and vehicles.

Source	Boundary Description
On-site stationary combustion	Boilers, furnaces, and generators
Mobile combustion	Vehicles under KPMG operational control
Fugitive emissions	Leaks from air conditioning and refrigeration equipment

b. Scope 2 Emissions

Scope 2 emissions are indirect emissions from the generation of acquired and consumed electricity occurring at sources outside of the organizational boundary as a consequence of activities from sources inside the organizational boundary and include the following:

Source	Boundary Description
Purchased electricity	Owned office spaces, owned learning and innovation center, leased office spaces, and owned data center

c. Scope 3 Emissions

Scope 3 emissions are indirect emissions from sources outside the organizational boundary as a consequence of KPMG activities.

The following categories were not relevant to KPMG’s boundaries:

- Category 9 (downstream transportation and distribution)
- Categories 10–12 (related to sold products)
- Category 13 (downstream leased assets)
- Category 14 (franchises)
- We have removed scope 3-category 8 from reported base year information and have not included it in subsequent periods while we continue to improve data quality in its measurement.

The following categories were assessed as immaterial to KPMG’s boundaries:

- Category 4 (upstream transportation and distribution)
- Category 15 (investments)

The following categories and sub-categories were excluded because data is not available or not of sufficient quality:

- Category 5 (waste generated in operations)
- Category 8 (upstream leased assets)

Category 1 (purchased goods and services) and category 2 (capital goods) spend data were aggregated and reported together. As a professional services firm, GHG emissions from capital goods not already included in Scopes 1 and 2 are comprised largely of durable goods, such as computer hardware and office furniture. KPMG reported categories 1 and 2 jointly due to this similarity and the GHG Protocol guidance on using the same categorization and calculation methodology for both categories.

Source	Boundary Description
Category 1, purchased goods and services, and category 2, capital goods	The production, transportation, and distribution of products and services purchased or acquired, including technology equipment, office supplies, third-party software, professional services, marketing, insurance and more
Category 3, fuel- and energy-related activities not included in Scope 1 or Scope 2	Production of fuels and energy purchased and consumed by KPMG that are not included in scope 1 or scope 2
Category 6, business travel	Air, automobile (including employee-owned cars, ride-share service, black cars, and rental cars), and hotel stays for business travel
Category 7, employee commuting	Rail, bus, motorcycle, automobile when employees commute between home and worksites

6 Emissions per Gas

Where applicable, emission factors include underlying greenhouse gas composition. These may include the following gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs). Global Warming Potentials (GWP) are noted where each emission factor source is identified in notes 8 through 10.

KPMG performed an inventory assessment of relevant Scope 1 and 2 gases and determined it does not have emissions sources for nitrogen trifluoride, sulfur hexafluoride, or perfluorocarbons. Carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons were assessed as present.

Information for Scope 3 categories is presented by gas only where the data was available and of sufficient quality.

HFCs noted in 'Scopes 1 & 2 in absolute mt' represent the aggregate quantities of each type of measured fugitive emission within KPMG operational boundaries.

Scope 3, Categories 1, 3, 7, and Category 6, Hotel Stays, data are only available in CO₂ equivalent.

Scope 3, Category 6, Vehicles do not include rental cars. Per note 10, rental car emissions were calculated using a spend-based method that did not include a breakout of all gases.

GWPs for GHGs were sourced from the Intergovernmental Panel on Climate Change Fourth and Fifth Assessment Reports.

All amounts are for the fiscal year ended September 30, 2023.

Scopes 1 & 2 in absolute mt					
	Note	CH ₄	N ₂ O	CO ₂	HFC
Scope 1	8	0.048	0.011	2,661	0.096
Scope 2	9				
Location-based	9	0.976	0.133	14,675	NA
Market-based	9	0.002	0.0005	70	NA

Scopes 1 & 2 in mtCO ₂ e					
	Note	CH ₄	N ₂ O	CO ₂	HFC
Scope 1	8	1.35	2.95	2,661	194
Scope 2	9				
Location-based	9	27.33	35.19	14,675	NA
Market-based	9	0.06	0.12	70	NA

Scope 3 in absolute mt				
	Note	CH ₄	N ₂ O	CO ₂
Category 6, vehicle travel	10	0.37	0.028	2,643

Scope 3 in mtCO ₂ e				
	Note	CH ₄	N ₂ O	CO ₂
Category 6, air travel	10	28.68	532.38	111,443
Category 6, vehicle travel	10	10.23	7.45	2,643.64

7 Base Year

KPMG set the period October 1, 2018, through September 30, 2019 (FY2019) as the base year.

The base year may be recalculated if significant changes, either individually or in aggregate, result from 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. Recalculation of the base year may also result from structural changes

in the reporting entity. A significant change is defined as a change greater than 5% of total GHG reported emissions.

The base year will be reviewed every 5 years to determine if it continues to be a relevant time period for comparison. Upon the completion of any such recalculation, all future GHG emissions reporting and calculations will be based on the revised base year.

8 Scope 1 Methodology

Source	Method	Emission Factor(s)	Inputs
On-site stationary combustion	Emission factors applied to primary data	<ul style="list-style-type: none"> U.S. Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories – April 2023, (GWP AR5 applied) 	<ul style="list-style-type: none"> Fuel consumed
Mobile combustion	Emission factors applied to primary data	<ul style="list-style-type: none"> Dept. for Business, Energy & Industrial Strategy (BEIS) – 2023 v1.1 (GWP AR5 applied) 	<ul style="list-style-type: none"> Distance travelled
Fugitive emissions	Emission factors applied to primary data	<ul style="list-style-type: none"> BEIS–2023 v1.1 (GWP AR5 Applied) (R-404A, R-407A) Greenhouse Gas Protocol V1.3, (GWP AR5 applied) (R-134A) Honeywell, (GWP AR5 applied) (R-513A, R-448A) 	<ul style="list-style-type: none"> Refrigerant volumes

9 Scope 2 Methodology

Source	Method	Emission Factor(s)	Inputs
Purchased electricity	Location-based	<ul style="list-style-type: none"> U.S. EPA eGRID (subregion & U.S. average) – eGRID2021 (GWP AR5 applied) International Energy Agency (IEA) (2022), Emission Factors (GWP AR4 applied) 	<ul style="list-style-type: none"> Electricity consumed Office square footage Energy Information Administration, 2018 Commercial Buildings Energy Consumption Survey (CBECS), Building Energy Intensity (BEI)
Purchased electricity	Market-based	<ul style="list-style-type: none"> U.S. EPA eGRID (subregion & U.S. average) – eGRID2021 (GWP AR5 applied) IEA 2022 Emission Factors (GWP AR4 applied) 	<ul style="list-style-type: none"> Electricity consumed Office square footage BEI Energy attribute certificates

KPMG revised its approach in FY2023 for estimating electricity usage at leased offices where metered data was unavailable. Previously, KPMG extrapolated the electricity consumption per square foot from its locations with metered electricity data to those locations that did not have this information available.

The updated methodology now utilizes the energy intensity per square foot from BEI data sourced from the Energy Information Administration’s 2018 Commercial Buildings Energy Consumption Survey (CBECS) to project electricity usage for locations that do not have metered electricity data available. The

decision to change the methodology was driven by the availability of a larger dataset provided by CBECS and did not have a significant effect on the emissions trend. The base year and comparative periods have not been recalculated.

The location-based method estimates emissions based on grid average emission factors for defined geographic locations.

Market-based method estimates are based on emission factors derived from contractual instruments, that meet the 'Scope 2 Quality Criteria'. These include supplier-specific factors denoted through renewable energy certificates (RECs). Approximately 99.7% of KPMG's electricity consumption reported in the market-based method reflects actual markets with contractual information. Contractual instruments used for the market-based methodology were Green-e certified wind RECs.

10 Scope 3 Methodology

Source	Method	Emission Factor(s)	Inputs
Category 1, purchased goods and services and category 2, capital goods	Spend-based	<ul style="list-style-type: none"> CDP Supply Chain Scope 3 Report, Sectoral Averages for Scopes 1, 2, 3 – 2023 	<ul style="list-style-type: none"> Economic value of purchased goods and services from spend records
Category 3, fuel- and energy-related activities not included in Scope 1 or Scope 2	Average-data	<ul style="list-style-type: none"> BEIS – 2023 v1.1 (GWP AR5 applied) BEIS – 2021 v2.0 (GWP AR4 applied) U.S. EPA eGRID (subregion & U.S. average) – 2021 (GWP AR5 applied) 	<ul style="list-style-type: none"> Total of each type of fuel consumed Total electricity consumption in each eGrid
Category 6, business travel			
Vehicle travel	Distance-based Spend-based	<ul style="list-style-type: none"> BEIS – 2023 v1.1 (GWP AR5 applied) U.S. EPA Supply Chain Greenhouse Gas Emission Factors v1.2 (GWP AR5 applied) 	<ul style="list-style-type: none"> Distance travelled Total spend on rental cars
Air travel	Distance-based	<ul style="list-style-type: none"> Department for Business, Energy & Industrial Strategy (Radiative Forcing +8% Uplift) – 2023 v1.1 (GWP AR5 applied) U.S. EPA Emission Factors for Greenhouse Gas Inventories – April 2023 (GWP AR5 applied) 	<ul style="list-style-type: none"> Distance travelled Flight distance and class of service Total fuel consumed
Hotel stays	Distance-based	<ul style="list-style-type: none"> BEIS – 2023 v1.1 (GWP AR5 applied) 	<ul style="list-style-type: none"> Hotel nights per person per country
Category 7, employee commuting	Average data	<ul style="list-style-type: none"> BEIS – 2023 v1.1 (GWP AR5 applied) U.S. EPA Tailpipe Greenhouse Gas Emissions from a Typical Passenger Vehicle – June 2023 (GWP AR5 applied) 	<ul style="list-style-type: none"> Average round-trip distance to each assigned office Number of unique employee entries per day Mode of travel percentage

Purchased Goods and Services and Capital Goods

In FY2023, KPMG changed the source of emission factors used in applying the spend-based method for calculating GHG emissions for Scope 3, Category 1, purchased goods and services and Category 2, capital goods. Prior years used the GHG Protocol Scope 3 Evaluator Tool, which was retired in August 2023.

KPMG applied 2023 emission factors from the CDP (formerly Carbon Disclosure Project) to calculate these FY2023 emissions. The 2022 CDP emission factors were applied to historic FY2022 spend data to facilitate a year-over-year comparison in emissions. While year-over-year spend from FY2022 to FY2023 was relatively unchanged, the year-over-year CDP emission factors significantly increased for KPMG's highest spend categories. As a result, reported Category 1 and 2 emissions more than doubled in FY2023 compared to the previous year. The reported FY2019 and FY2021 emissions for Category 1 and 2 have not been revised for the CDP-based emission factors due to insufficient attributes within the data to associate with CDP-based emission factors for those periods; therefore, direct comparisons should not be made between periods. The process to obtain the data necessary to recalculate the prior periods is still ongoing.

Rental Cars

For the calculation of rental car emissions, KPMG updated its approach in FY2023 using the spend-based method due to a lack of accurate data on rental car miles driven. The spend-based method collects data on the economic value of assets and multiplies it by relevant secondary emission factors, such as an average emissions per monetary value of goods. In this instance, KPMG multiplied total rental car spend by a rental car spend emission factor to estimate emissions. The change did not have a significant effect on the emissions trend. The base year and comparative periods have not been recalculated.

11 Other Disclosures

Voluntary Carbon Market Disclosures

In FY2023, KPMG purchased and retired carbon offsets from Arbor Day Carbon. The project is the GreenTrees ACRE (Advanced Carbon Restored Ecosystem), American Carbon Registry (ACR) 114 (apx.com), a U.S.-based afforestation and carbon removal project located in the Mississippi Alluvial Valley in the U.S. Forest Service South Central and Southeast regions. The protocol used to estimate emissions reductions and removal benefits is the ACR Methodology for Afforestation and Reforestation of Degraded Land, Version 1.0, March 2011 (Methodology). The project and offsets are registered with the ACR and were verified by a third party.

Contact us

Darren McGann

Senior Director

Corporate Sustainability

KPMG LLP

uscorsustainability@kpmg.com

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