

Australian Government

# Climate Active Public Disclosure Statement




An Australian Government Initiative

NAME OF CERTIFIED ENTITY: KPMG Australia

REPORTING PERIOD: 1 January 2019 – 31 December 2019

## Declaration

To the best of my knowledge, the information provided in this Public Disclosure Statement is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.

|   |                            |
|---|----------------------------|
| Signature<br> | Date<br>22nd January, 2021 |
| Catherine Hunter  |                            |
| Partner, Corporate Citizenship  |                            |



**Australian Government**  
**Department of Industry, Science,  
Energy and Resources**

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## 1. Carbon neutral information

### Description of certification

The certification includes all operations within Australia, over which KPMG Australia (ABN 51 194 660 183) has operational control. Activities within all our offices fall within the organisational boundary.

The emission inventory in this public disclosure summary covering the 1 January 2019 to 31 December 2019 reporting period has been developed in accordance with The Climate Active Carbon Neutral Standard for Organisation (Organisation Standard).

KPMG Australia's operational boundary has been defined based on an operational control test, in accordance with the principles of the National Greenhouse and Energy Reporting Act 2007, and includes all locations occupied by KPMG employees: Adelaide, Brisbane, Canberra, Darwin, Gold Coast, Greater Western Sydney (Parramatta, Penrith, Rhodes, Wollongong), Hobart, Karratha, Melbourne, Sydney (Barangaroo) and Perth.

All emissions from these offices are included within the boundary, as they hold permanent KPMG staff and are included as a part of KPMG's Global Climate Response (GCR) carbon accounting methodology for all member firms globally.

The methods used for collecting data, calculating emissions and presenting the carbon account are in accordance with

- The Climate Active Carbon Neutral Standard for Organisation (Organisation Standard)
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- National Greenhouse and Energy Reporting (Measurement) Determination 2008
- 2019 Greenhouse Gas Conversion Factors for Company Reporting by the Department for Environment, Food and Rural Affairs UK, specifically for business air travel, as required under KPMG Australia's obligations to KPMG's Global Climate Response reporting

KPMG Australia has considered all 7 x greenhouse gases commonly reported under the Kyoto Protocol in our reporting inventory. The gases that are reported are material to our business and expressed as carbon dioxide equivalents (CO<sub>2</sub>-e) as applicable under the Kyoto protocol.

### Organisation description

KPMG believe that the choices, plans and actions we make today can impact our collective tomorrow. We are a global network of professional firms providing a full range of services to organisations across a wide range of industries, government, and not-for-profit sectors.

Our service areas are Audit, Assurance & Risk Consulting; Deals, Tax & Legal; Management Consulting; and Innovation, Solutions and Ventures. In addition, KPMG Enterprise tailors its services to meet the unique needs of mid-sized, fast growing and family owned businesses. We have approximately 6,700 people, including over 400 partners, with offices around the country.

We have a long-standing commitment to harnessing the passion and capabilities of our people to empower positive change with our clients and in our communities. We believe that our nation can never reach its full potential until everyone has equal access to opportunity. Our Corporate Citizenship approach focuses our efforts on driving change for Indigenous Australia, Mental Health, Climate Action and Lifelong Learning, and the founding principle to leave no-one behind.

Under our Climate Action Plan to FY22, KPMG is committed to being a net zero emissions business, an enabler of the circular economy and transparently managing our climate risk and ongoing contribution to the UN Sustainable Development Goals. Climate Active reporting has been prepared for CY2019 as our first year of attaining carbon neutral status.

### Emissions reduction strategy

In 2017, KPMG Australia launched its first climate change strategy. The strategy set out our vision and commitments for addressing climate change and achieving a net carbon emissions per FTE reduction target of 10 percent by 2020, with a focus on reducing energy emissions, air travel emissions and waste to landfill.

By 2020 KPMG Australia had surpassed many of its emission reduction targets and used the principles of the first strategy to form a new [Climate Action Plan \(CAP\) to FY22](#). The CAP includes a commitment to being a carbon neutral organisation, alongside new emission reduction targets, a 100% renewable energy target and a zero waste to landfill target (greater than 90% diversion rate).

The measures undertaken to date are included in Table 1.

| Table 1. Emission Reduction Initiatives |  |       |
|---|--|-------|
| Emission Source                         | Reduction Measure  | Scope |
| Energy Efficiency in our offices        | FY17 Relocation – <ul style="list-style-type: none"> <li>2 x primary office relocation (Sydney and Melbourne) to new premises, which are 6 and 5 Green Star rated buildings.</li> <li>The Barangaroo precinct (including our tenancy in Sydney) achieved Climate Active certification in FY19.</li> </ul>  | 2     |
| Waste to landfill measures              | Zero waste program – <ul style="list-style-type: none"> <li>committed to the <a href="#">Single Use Pledge</a> to eliminate all single use items in supply chain by 2030.</li> <li>successfully eliminated single use coffee cups from internal cafes, kitchens and hubs by substituting for reusable options, eliminating approximately 250,000 single use cups p.a.</li> <li>implemented similar measures for plastic bottles in catering and events, and biodegradable snacks in kitchens, eliminating 50,000 plastic bottles and 50,000 snack cups from our supply chain p.a.</li> </ul> | 3     |
| Air travel emissions                    | Tech over Travel – <ul style="list-style-type: none"> <li>introduced internal KPIs for non-billable air travel (NBT) by division in CY2019</li> <li>introduced quarterly 'real-time' reporting against KPIs and ongoing case studies to help reduce air travel emissions</li> <li>promoted technology/ ITC infrastructure and capabilities: Skype for Business, Teams, internal VC facilities instead of air travel</li> </ul>   | 3     |

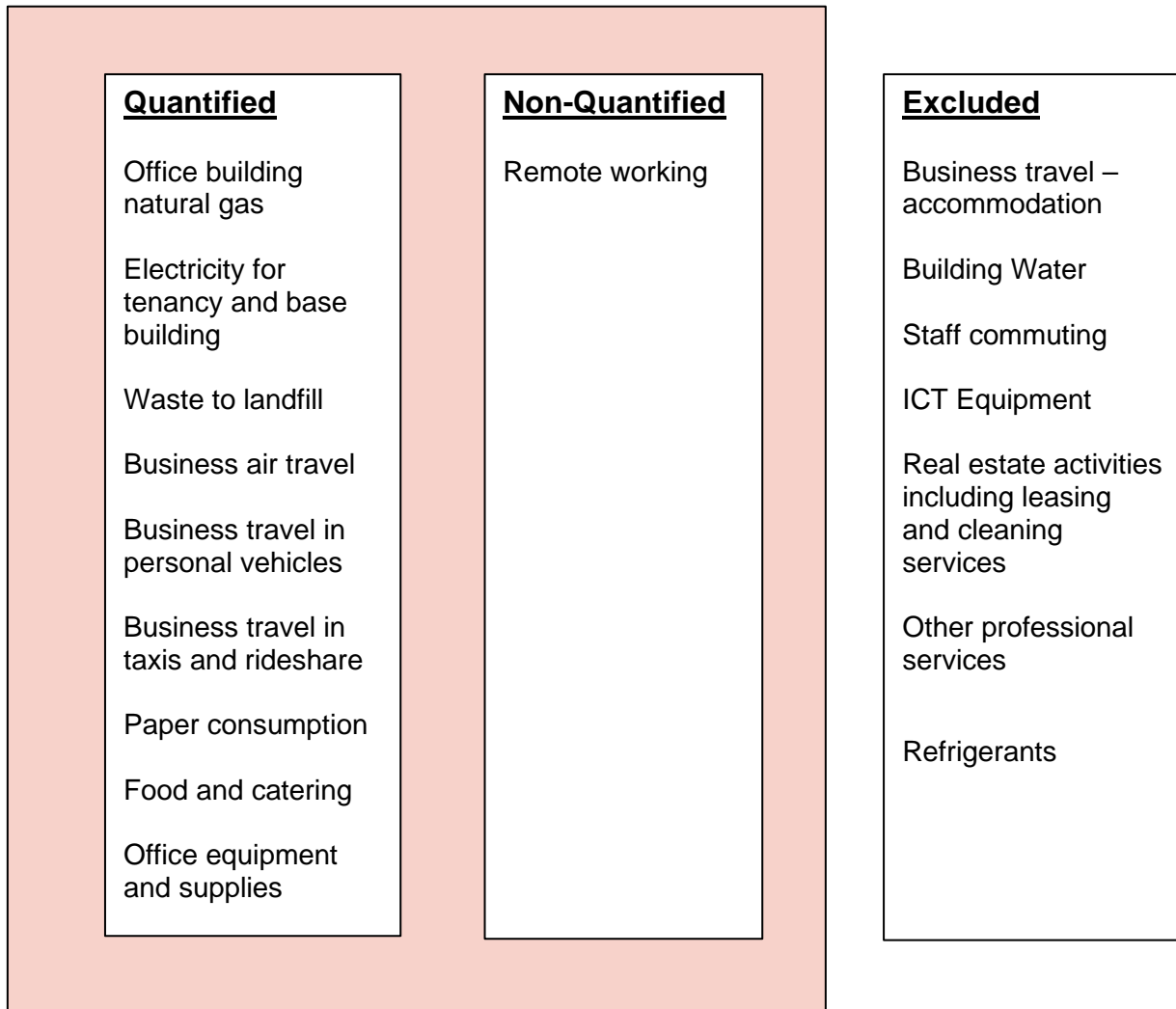
Under the Climate Action Plan, KPMG Australia is committed to the following targets by 2022:

- **100% Renewable Energy:** Investigating opportunities for projects in off-site renewable energy generation, collaboration on renewable energy projects.
- **-50% Energy Emissions /FTE** - Investigating energy reduction opportunities, grants or schemes to support energy efficiency of our operations
- **>90% Recycling Rate** - Staff engagement on waste and recycling, waste audits, education, firm-wide support of National Recycling Week campaign, circular economy thought-leadership
- **Increase Sustainable Procurement** - evaluation of Scope 3 impacts, specifically supply chain and increasing sustainable alternatives to reduce environmental impact including paper consumption, in-house catering and events.

## 2. Emission Boundary

### Diagram of the certification boundary

KPMG Australia includes direct Scope 1 and indirect scope 2 emissions sources in our Greenhouse Gas emissions inventory. The inventory also includes other indirect Scope 3 emission sources that result from the operations of our business deemed relevant in the relevance test.



### Non-quantified sources

- **Remote working** – the challenge of gathering this information for CY2019 outweighs the benefits of reporting as is considered to have an immaterial contribution to the overall footprint, with approximately <10% of employees working from home on a normal given year.

This information will be included in CY2020 reporting, as relevant under COVID-19 implications with higher quantity of FTE operating remotely. An uplift factor of 1% percent was added to the inventory emissions to ensure this emission source is captured.

### Excluded sources (outside of certification boundary)

The following emission sources have been excluded in line with the relevance test of the Climate Active Carbon Neutral Standard for Organisations:

- **Overnight accommodation for external events, training, conferences and client deliverables** – KPMG Australia's inventory captures all business air and road travel as predominant emissions for client and non-client deliverables within KPMG Australia's operational control. Remaining emissions from overnight accommodation are considered irrelevant to the reporting boundary.
- **Water consumption** – Emissions are considered to be small in relation to other Scope 1 & 2 operational environmental impacts and KPMG Australia has limited operational control for reporting and reduction within offices. The source is therefore not relevant to the boundary.
- **Staff Commuting to Office** – All KPMG Australia offices are located within the central business districts of capital cities and regional centres and are accessible to employees. These emissions are not considered to be relevant to the reporting boundary. Staff are encouraged to calculate their annual personal footprint, including emissions from commuting through carbon calculators, which provide suggestions to reduce where possible.
- **ITC & Telecommunications (Procured Goods and Services)** – purchased ITC and Telecommunication services do not produce emissions when obtained. The electricity used while operating leased equipment is captured in reporting boundary, and subsequently any remaining emissions (from the production and manufacture of equipment) are irrelevant to KPMG Australia's reporting boundary.
- **Real estate activities (Procured Goods and Services) including leasing and cleaning services** - purchased leasing fees and other real estate services do not produce emissions when obtained. Base building energy emissions have been captured within the reporting boundary, and any remaining emissions (from preparation and distribution) of these services are irrelevant to KPMG Australia's reporting boundary.
- **Community, Social and Professional Services, Public Admin services (Procured Goods and Services)** – purchased services do not produce emissions when obtained and are subsequently irrelevant
- **Refrigerants** – No location is known to have refrigerants, and thus, irrelevant.

The impact of excluding these sources is not expected to materially affect the overall total emission and in aggregate, no emissions excluded are greater than 5% of the total emissions being offset.

We will continue to review the adequacy of data for all emission sources and consider annually whether to include additional activities within our GHG inventory.

### 3. Emissions summary

| Table 2. Emissions Summary                                   |                           |
|--|---------------------------|
| Emission source category                                     | tonnes CO <sub>2</sub> -e |
| Natural Gas Consumption                                      | 2                         |
| Total Electricity Consumption (tenancy and base building)    | 5,939                     |
| Food and catering onsite (client floors and in-house events) | 1,775                     |
| Office supplies and stationery spend                         | 341                       |
| Waste to landfill  | 151                       |
| Paper consumption  | 134                       |
| Business Air Travel  | 30,331                    |
| Transport Fuel (Business Travel in Taxis and Rideshare)      | 583                       |
| Transport Fuel (Business Travel in Personal Vehicles)        | 727                       |
| <b>Total Net Emissions</b>                                   | <b>39,984</b>             |

Please note that due to rounding of numbers the figures may not add up exactly to the total net emissions provided.

#### Uplift factors

| Table 3. Uplift factors   |                           |
|---|---------------------------|
| Reason for uplift factor  | tonnes CO <sub>2</sub> -e |
| Uplift applied for remote working as non-quantified emission source | 400                       |
| <b>Total Footprint to offset (uplift factors + net emissions)</b>   | <b>40,384</b>             |

#### Electricity Summary

Electricity was calculated using a Location-based approach (Table 5).

The Barangaroo precinct is the first urban precinct in Australia to be awarded carbon neutral status. As Australia's first large-scale carbon neutral community, Barangaroo has been set up to operate with zero net carbon emissions.

In attaining carbon neutrality, the precinct defined a reporting boundary that included electricity consumption of base buildings, occupants and tenants. The PDS can be found [here](#). KPMG Australia's Sydney office is included as a tenant of Tower 3, in Barangaroo South, as captured in the location-based electricity summary.

The Climate Active team are consulting on the use of a market vs location-based approach for electricity accounting. Given a decision is still pending on the accounting way forward, a summary of emissions using both measures has been provided for full disclosure and to ensure year on year comparisons can be made.

Table 4. Market based approach electricity summary

| Electricity Inventory items           |  | kWh       | Emissions (TCO <sub>2</sub> e) |
|---------------------------------------|--|-----------|--------------------------------|
| Electricity Renewables                |  | 1,770,289 | 0.00                           |
| Electricity Carbon Neutral Power      |  | 2,995,769 | -3239                          |
| Electricity Remaining                 |  | 7,747,395 | 8376                           |
| Renewable electricity percentage      |  | 19%       |                                |
| Net emissions (Market based approach) |  |           | <b>11,614</b>                  |

Table 5. Location based approach electricity summary

| State/Territory | Electricity Inventory items                      | kWh       | Full Emission factor (Scope 2 +3) | Emissions (TCO <sub>2</sub> e) |
|-----------------|--|-----------|-----------------------------------|--------------------------------|
| ACT/NSW         | Electricity Carbon Neutral Power                 | 2,995,769 | -0.90                             | -2696                          |
| ACT/NSW         | Electricity Total                                | 4,145,132 | 0.90                              | 3731                           |
| SA              | Electricity Total                                | 419,789   | 0.53                              | 222                            |
| Vic             | Electricity Total                                | 2,277,282 | 1.12                              | 2551                           |
| Qld             | Electricity Total                                | 1,088,953 | 0.93                              | 1013                           |
| NT              | Electricity Total                                | 221,805   | 0.71                              | 157                            |
| WA              | Electricity Total                                | 1,279,798 | 0.74                              | 947                            |
| Tas             | Electricity Total                                | 84,923    | 0.17                              | 14                             |
|                 | Total net electricity emissions (Location based) |           | 0.00                              | <b>5939</b>                    |

## 4. Carbon offsets

### Offset purchasing strategy:

Offsets are purchased in **arrears** at the end of the assessment period and subsequently retired. Any surplus is held over for the future year.



| Table 6 Offsets Summary  |                                   |                                 |                     |  |                |                                |  |   |  |
|--|-----------------------------------|---------------------------------|---------------------|--|----------------|--------------------------------|--|---|--|
| <b>1. Total offsets required for this report</b>                       |                                   |                                 |                     | 40,384   |                |                                |  |   |  |
| <b>2. Offsets retired in previous reports and used in this report</b>  |                                   |                                 |                     | N/A  |                |                                |  |   |  |
| <b>3. Net offsets required for this report</b>                         |                                   |                                 |                     | 40,384   |                |                                |  |   |  |
| <i>Project description</i>   | <i>Eligible offset units type</i> | <i>Registry unit retired in</i> | <i>Date retired</i> | <i>Serial number (including hyperlink to registry transaction record)</i>  | <i>Vintage</i> | <i>Quantity (tonnes CO2-e)</i> | <i>Quantity used for previous report</i> | <i>Quantity to be banked for future years</i> | <i>Quantity to be used this report</i> |
| Aak Puul Ngantam, Savanna Burning                                      | ACCU                              | ANREU                           | 11 June 2020        | 3,799,429,227 - 3,799,430,626  | 2020           | 1,400                          | N/A                                      |   | 1,400                                  |
| Envira Amazonia Forest Conservation, Brazil                            | VCU                               | VERRA                           | 11 June 2020        | <a href="#">6450-321626901-321627387-VCU-007-MER-BR-14-1382-01012015-31122015-1, 5848-264140590-264140602-VCU-016-MER-BR-14-1382-01012014-31122014-1</a> | 2015, 2014     | 500                            | N/A                                      |   | 500                                    |
| Siam Cement Group Biomass to Energy, Thailand                          | VCU                               | VERRA                           | 11 June 2020        | <a href="#">6047-276722638-276762451-VCU-008-APX-TH-4-403-01012013-31122013-0</a>  | 2013           | 39,814                         | N/A                                      | 1330  | 38,484                                 |
| <b>Total offsets retired this report and used in this report</b>       |                                   |                                 |                     |  |                |                                |  |   | 40,384                                 |
| <b>Total offsets retired this report and banked for future reports</b> |                                   |                                 |                     |  |                |                                |  |   | 1,330                                  |

## Co-benefits

### **Aak Puul Ngantam**

As well as reducing emissions by controlling and preventing large, intense and uncontrollable bushfires, the Aak Puul Ngantam Savanna Burning project employs local Indigenous people as project rangers, engaging Wik and Kugu people in traditional practices to care for and connect with their ancestral homelands. Revenue raised from the sale of carbon credits supports a range of activities that APN Cape York runs alongside the carbon project, such as funding the installation of two communications towers to increase connectivity in the region.

Rangers and others out on country can now travel knowing that they can call for assistance and keep in touch with family, even in extremely remote areas.

## **5. Use of trademark**

| Description where trademark used  | Logo type              |
|---|------------------------|
| KPMG Australia's <a href="#">Corporate Citizenship's Climate Action</a> internet page | Certified organisation |
| KPMG Australia's intranet page – Climate Action                                       | Certified organisation |
| KPMG Australia's ESG Report (under development – scheduled for release in mid 2021)   | Certified organisation |
| KPMG Australia proposals for clients (where credentials requested)                    | Certified organisation |

## **5. Additional information**

## Appendix 1: Excluded emissions

To be deemed relevant an emission must meet two of the five relevance criteria. Excluded emissions are detailed below against each of the five criteria.

| Excluded Emission  | Relevance Test  |  |   |   |  |
|--|---|--|---|---|--|
|  | <i>The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions</i> | <i>The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.</i> | <i>Key stakeholders deem the emissions from a particular source are relevant.</i> | <i>The responsible entity has the potential to influence the reduction of emissions from a particular source.</i> | <i>The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.</i> |
| Overnight Accommodation  | N   | N  | Y   | N   | N  |
| Staff Commuting to office  | Y   | N  | N   | N   | N  |
| Water consumption  | N   | N  | N   | Y   | N  |
| Refrigerants   | N   | Y  | N   | N   | N  |
| ITC and Telecoms   | Y   | N  | N   | N   | N  |
| Professional Services, Community, Social services and public admin | Y   | N  | N   | N   | N  |
| Real estate activities (including leasing, cleaning services)      | N   | N  | N   | Y   | N  |