



PUBLIC DISCLOSURE STATEMENT

KPMG AUSTRALIA

ORGANISATION
CY2020

Australian Government
Climate Active
Public Disclosure Statement



An Australian Government Initiative



NAME OF CERTIFIED ENTITY: KPMG Australia

REPORTING PERIOD: 1 January 2020 – 31 December 2020

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

Date

13th August 2021

Donna O'Neill

Head of Corporate Citizenship



Australian Government
Department of Industry, Science,
Energy and Resources

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Version number February 2021

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 2020 to 31 December 2020 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 (CO₂-e) as applicable under the Kyoto protocol.

"The Climate Active trademark helps to communicate a positive and transparent narrative of our climate commitments, as it represents a robust carbon neutral claim."

Organisation description

At KPMG Australia, we help our clients not just grow, but grow meaningfully - consciously, collaboratively, transparently and empathetically. It's our deep belief that how you grow matters.

Nationally, our network of over 9,000 people are dedicated to this, while providing audit, assurance and risk consulting, deals, tax and legal, management consulting and innovation and digital solutions to entities and organisations that span the nation's industrial, governmental and not-for-profit landscapes.

Our commitment is to support our clients' growth, not only so it enhances our nation's economic prosperity, but builds trust while benefiting society, people and the environment. Because how you grow matters.

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 net zero emissions, an enabler of the circular economy and transparently managing our climate risk and ongoing contribution to the UN Sustainable Development Goals. Climate Active reporting began in CY2019 as our first year of attaining carbon neutral status.

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.



Excluded sources (outside of certification boundary)

The Emissions sources in Appendix 1 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** – assessed as not relevant according to the relevance test, only meeting one condition that is key stakeholders may deem the source relevant
- **Water consumption** – assessed as not relevant according to the relevance test, only meeting one condition that is the potential to influence the reduction of emissions from the source.
- **Staff Commuting to Office** – assessed as not relevant according to the relevance test, only meeting one condition that is emissions from this source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions.
- **ITC & Telecommunications (Procured Goods and Services)** – assessed as not relevant according to the relevance test, only meeting one condition that is emissions from this source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions.
- **Community, Social and Professional Services, Public Admin services (Procured Goods and Services)** – assessed as not relevant according to the relevance test, only meeting one condition that is emissions from this source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions.
- **Real estate activities (Procured Goods and Services) including leasing and cleaning services** – assessed as not relevant according to the relevance test, only meeting one condition that is the potential to influence the reduction of emissions from the source.
- **Refrigerants** – assessed as not relevant according to the relevance test, meeting none of the conditions, as no office location is known to have refrigerants.

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

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 included a commitment to being carbon neutral, alongside the following targets by 2022:

- **100% Renewable Energy:** Procurement of renewable energy through energy retailer agreements, investigating opportunities for off-site renewable energy projects
- **-50% Energy Emissions /FTE** - Investigating energy reduction opportunities, grants or schemes to support energy efficiency of our operations
- **-15% Air travel emissions/ FTE** - Virtual service delivery and increased use of technology to reduce non-essential business travel.
- **>90% Recycling Rate** - Staff engagement on waste and recycling, waste audits, education, circular economy thought-leadership
- **Increase Sustainable Procurement** – Increased reporting on Scope 3 impacts, specifically supply chain and increasing sustainable alternatives to reduce environmental impact including purchased goods.

At the end of 2020, KPMG International announced a commitment to be a net-zero carbon organisation by 2030, based on 1.5°C science-based target. KPMG Australia, alongside all member firms globally, must achieve a 50% reduction of our greenhouse gas (GHG) emissions by 2030 to meet this science-based approach. The initiatives in our Climate Action Plan to 2022 subsequently act as the beginning phase of our roadmap to achieving this in the next decade.

Emissions over time

KPMG Australia's emission reduction over time has been achieved through energy efficiency in our offices, green building office relocations and targeted behavior change, specifically to reduce non-essential business travel through technology and driving cultural awareness to reduce waste to landfill.

Following the launch of our Climate Action Plan in 2020, we commenced renewable energy contracts for our Sydney, Melbourne, Adelaide, Canberra and Hobart offices, which became our largest investment in energy reduction to date.

Table 1

| Emissions since base year | | |
|---------------------------|--------------------|----------------------|
| | Base year: 2019 | Current Year 2020 |
| Total tCO2e | 40,384 | 13,629 |

Emissions reduction actions

In response to the COVID-19 pandemic, the way we work and where we work has changed. With many of our staff working remotely for a significant portion of CY2020, our environmental footprint significantly reduced due to office floors being closed and limited to no travel between client sites and KPMG offices.

We recognise that our people working from home are using resources that would have previously been consumed in our offices. We have accounted for these emissions by capturing an approximate energy use for the average FTE working from home per month since the beginning of March 2020. This calculation includes heating and cooling, lighting, equipment charging and server access for staff working from home.

For 2020, KPMG Australia achieved a reduction of 66% in emissions per FTE from CY2019. This trend has been driven primarily by:

- 79% reduction in air travel emissions and 66% reduction in transport vehicle emissions, due to travel restrictions put in place from March 2020
- 63% reduction in energy emissions in our property portfolio due to lower occupancy and portions of our offices being closed, as well commencing new renewable energy contracts for five offices in July 2020
- 26% reduction in food, catering, office supplies and stationery emissions due to lower occupancy and reduced need for purchased goods in our offices

The COVID-19 pandemic has demonstrated the feasibility of hybrid ways of working for our staff and in virtual client service delivery. As business travel resumes, we will continue to encourage increased use of technology and remote working to reduce non-essential business travel. Similarly, with the home becoming a designated hub within our flexible working arrangement in future, we will continue to seek ways to improve reporting and reduce emissions from this source.

Emissions summary (inventory)

Table 2

| Emission source category | tonnes CO ₂ -e |
|--|---------------------------|
| Natural Gas Consumption | 2 |
| Total Electricity Consumption (tenancy and base building) | 2,168 |
| Food and catering onsite (client floors and in-house events) | 1,314 |
| Office supplies and stationery spend | 281 |
| Waste to landfill | 83 |
| Paper consumption | 51 |
| Business Air Travel | 6,208 |
| Transport Fuel (Business Travel in Taxis and Rideshare) | 115 |
| Transport Fuel (Business Travel in Personal Vehicles) | 334 |
| Working from home footprint | 3,073 |
| <i>Total Net Emissions</i> | 13,629 |

Electricity summary

Electricity was calculated using market-based approach.

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 market-based electricity summary as a deduction from the total electricity consumed.

Market Based Approach Summary

| Market Based Approach | Activity Data (kWh) | Emissions (kgCO ₂ e) | Renewable Percentage of total |
|--|---------------------|---------------------------------|-------------------------------|
| Behind the meter consumption of electricity generated | 0 | 0 | 0% |
| Total non-grid electricity | 0 | 0 | 0% |
| LGC Purchased and retired (kWh) (including PPAs) | 2,202 | 0 | 0% |
| GreenPower | 1,315,250 | 0 | 30% |
| Jurisdictional renewables (LGCs retired) | 215,990 | 0 | 5% |
| Jurisdictional renewables (LRET) (applied to ACT grid electricity) | 51,689 | 0 | 1% |
| Large Scale Renewable Energy Target (applied to grid electricity only) | 796,533 | 0 | 18% |
| Residual Electricity | 2,010,992 | 2,168,253 | 0% |
| Total grid electricity | 4,392,656 | 2,168,253 | 54% |
| Total Electricity Consumed (grid + non grid) | 4,392,656 | 2,168,253 | 54% |
| Electricity renewables | 2,381,664 | 0 | |
| Residual Electricity | 2,010,992 | 2,168,253 | |
| Exported on-site generated electricity | 0 | 0 | |
| Emission Footprint (kgCO ₂ e) | | 2,168,253 | |

| | |
|---|---------------|
| Emission Footprint (TCO₂e) | 2,168 |
| Mandatory LRET renewables | 19.31% |
| Voluntary Renewable Electricity | 34.91% |
| Total renewables | 54.22% |
| <i>Voluntary includes LGCs retired by Barangaroo Precinct (MWh)</i> | <i>2</i> |

Location Based Approach Summary

| Location Based Approach | Activity Data (kWh) | Emissions (kgCO ₂ e) |
|--|---------------------|---------------------------------|
| ACT | 267,679 | 240,911 |
| NSW | 3,189,601 | 2,870,641 |
| SA | 341,853 | 177,764 |
| Vic | 1,104,555 | 1,203,965 |
| Qld | 835,414 | 776,935 |
| NT | 179,642 | 123,953 |
| WA | 577,353 | 404,147 |
| Tas | 98,460 | 16,738 |
| Grid electricity (scope 2 and 3) | 6,594,558 | 5,815,054 |
| ACT | 0 | 0 |
| NSW | 0 | 0 |
| SA | 0 | 0 |
| Vic | 0 | 0 |
| Qld | 0 | 0 |
| NT | 0 | 0 |
| WA | 0 | 0 |
| Tas | 0 | 0 |
| Non-grid electricity (Behind the meter) | 0 | 0 |
| Total Electricity Consumed | 6,594,558 | 5,815,054 |
| Emission Footprint (TCO₂e) | 5,815 | |

4. CARBON OFFSETS

Offsets strategy

Offset purchasing strategy: In arrears (procure 5-10% additional each year to cover any data

| | |
|--|--------|
| 1. Total offsets previously forward purchased and banked for this report | 1,330 |
| 2. Total emissions liability to offset for this report | 13,629 |
| 3. Net offset balance for this reporting period | 12,299 |
| 4. Total offsets to be forward purchased to offset the next reporting period | 583 |
| 5. Total offsets required for this report | 13,629 |

Co-benefits

Alka Bawar

As well as reducing emissions by controlling and preventing intense and uncontrollable bushfires, the Alka Bawar Kalpowar Savannah Project in eastern Cape York employs Traditional Owners as rangers on country and protection to cultural sites. More than 30,000 tonnes of emissions have been avoided to date through the project, which also aims to protect native Australian wildlife and habitats.

Offsets summary

Proof of cancellation of offset units

| Offsets cancelled for Climate Active Carbon Neutral Certification | | | | | | | | | | |
|---|----------------------|----------|--------------|--|---------|----------------------------|--|--|---|-------------------------|
| Project description | Type of offset units | Registry | Date retired | Serial number (and hyperlink to registry transaction record) | Vintage | Eligible Quantity (TCO2-e) | Quantity used for previous reporting periods | Quantity banked for future reporting periods | Quantity used for this reporting period claim | Percentage of total (%) |
| Siam Cement Group Biomass to Energy | VCUs | VERRA | 11.06.2020 | 6047-276722638-276762451-VCU-008-APX-TH-4-403-01012013-31122013-0 | 2013 | 39,814 | 38,483 | | 1330 | 10% |
| Siam Cement Group Biomass to Energy | VCUs | VERRA | 28.07.2021 | 10881-254875969-254876168-VCS-VCU-842-VER-TH-4-403-01012014-31122014-0 | 2014 | 200 | | 151 | 49 | >1% |
| Alka Bawar Kapowar Savanna Burning | ACCUs | ANREU | 27.04.21 | 3,801,416,892 - 3,801,417,291, 3,801,417,292 - 3,801,418,091 | 2020 | 1200 | | | 1200 | 9% |
| Koru Wind Power | VERs | GSF | 27.04.21 | GS1-1-TR-GS2545-12-2017-20327-48450-58499 | 2017 | 10,050 | | | 10,050 | 74% |
| Southern Cardamom Reforestation Cambodia | VCUs | VERRA | 27.04.21 | 6829-348933142-348934141-VCU-006-MER-KH-14-1748-01012015-31122015-1 | 2015 | 1,000 | | | 1000 | 7% |
| Total offsets retired in previous reporting period and used in this report | | | | | | | | | | 1,330 |
| Total offsets retired this report and used in this report | | | | | | | | | | 12,299 |
| Total offsets retired this report and banked for future reports | | | | | | | | | | 151 |

| Type of offset units | Quantity (used for this reporting period claim) | Percentage of Total |
|---------------------------------------|---|---------------------|
| Australian Carbon Credit Units (ACCU) | 1200 | 9% |
| Verified Emissions Reductions (VERs) | 9,467 | 74% |
| Verified Carbon Units (VCUs) | 2,330 | 17% |

5. USE OF TRADE MARK

Table 8

| Description where trademark used | Logo type |
|---|------------------------|
| KPMG Australia's Corporate Citizenship's Climate Action internet page | Certified organisation |
| KPMG Australia's intranet page – Climate Action | Certified organisation |
| KPMG Australia's ESG Report (under development – scheduled for release in July) | Certified organisation |
| KPMG Australia proposals for clients (where credentials requested) | Certified organisation |

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.

Table 9

| Relevance test | | | | | |
|--|---|--|---|---|--|
| Excluded emission sources | <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 | No | No | Yes | No | No |
| Staff Commuting to office | Yes | No | No | No | No |
| Water consumption | No | No | No | Yes | No |
| Refrigerants | No | Yes | No | No | No |
| ITC and Telecoms | Yes | No | No | No | No |
| Professional Services, Community, Social services and public admin | Yes | No | No | No | No |
| Real estate activities (including leasing, cleaning services) | No | No | No | Yes | No |
| Refrigerants | No | No | No | No | No |



An Australian Government Initiative

