



**2019/20 ENVIRONMENTAL REPORT:
EXECUTIVE SUMMARY**



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ENVIRONMENTAL PERFORMANCE

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EXECUTIVE SUMMARY

“Despite a significant increase in headcount BDO LLP has reduced both its absolute emissions & emissions intensity for a third consecutive year”



Emissions

8,792 tCO₂e

↓ **5%**



Energy

4.5 MWh

↓ **4%**



Travel

33.8 million km

↑ **3%**



Employees

6,332^{1*}

↑ **31%**



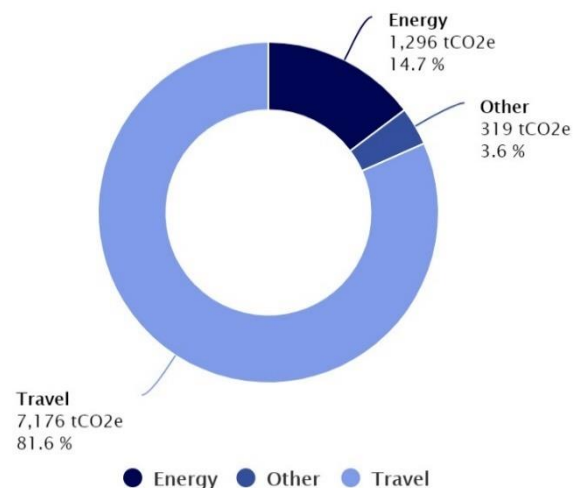
Intensity

1.4 tCO₂e/FTE

↓ **28%**

2019/20 Highlights

- Total emissions reduced by 5%
- Emissions per FTE down 13%
- Increase in business travel in Q1-Q3 resulting in a 3% increase in distance travelled despite reduced travel in Q4 from COVID-19
- Audited 100% of energy consumption
- Achievement of carbon neutrality
- Commitment to an annual linear reduction target of 4.2%, in-line with the 1.5°C science-based target



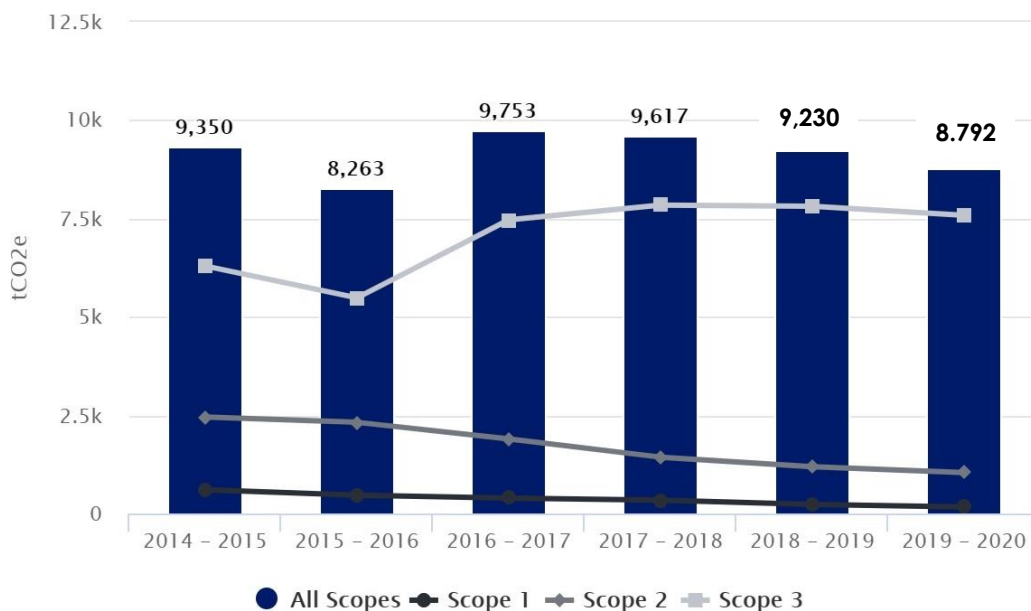
¹ Total headcount for full time employees and temporary or interim contractors.

PERFORMANCE SUMMARY

BDO LLP are pleased to report a 5% reduction in total emissions vs. 2018/19 and, despite significant business growth, our emissions intensity per employee has decreased by 28%. This is primarily driven by a reduction business travel during Q4, due to COVID-19, as well as a reduction in energy consumption following moves to more efficient offices and the continued decarbonisation of the UK grid.

Our business travel activities have increased slightly in Q1-Q3, in line with increased headcount, with flights accounting for over 70% of annual emissions. Despite the steep reduction in business travel in Q4, emissions from flights still increased by 7% on 2018/19 figures due to the increased travel in Q1-Q3. Ensuring that travel emissions don't rebound to pre-COVID-19 levels will therefore be key moving forward. Waste, water and paper account for less than 4% of BDO LLP's overall emissions, with water being based on estimates due to data availability.

EMISSIONS OVER TIME (tCO₂e)



2019/20 IN NUMBERS

Over the course of last year, our operations and activities have had the following environmental impacts...

Total emissions

8,792 tCO₂e



...or **1,911** cars' annual CO₂

Total energy

4,500 MWh



...or **1,216** homes powered

Distance travelled

33.8 million km



...or **843** times around the world

Paper consumption

46 tonnes



...or **1,104** trees

Water usage

62,646 m³



...or **33** Olympic pools filled

Waste produced

898 tonnes



...or **75** fully loaded waste trucks

INITIATIVES

2019/20 Highlights:

- **9 BREEAM offices** rated very good or higher; with 6 rated excellent
- **Committed to carbon neutrality** – in line with PAS 2060, we have committed to achieving carbon neutrality for the reporting period, purchasing high-quality carbon credits to offset our full carbon footprints.
- **Established a robust carbon management plan** – To reduce our reliance on carbon offsetting, we have mapped a decarbonisation roadmap which will drive emission reductions year on year through the implementation of various initiatives and improvements.
- **Undertaken energy audits at key sites** – we commissioned Avieco to perform energy audits at key sites across the UK. We identified several energy efficiency opportunities which are all now under review and will be implemented as practicable.



2019/20 PERFORMANCE: ENERGY

“BDO LLP has achieved a 31% reduction in energy intensity per employee due to energy reduction initiatives, such as moves to more energy efficient offices”



Total energy

5,366
MWh

↓8%



Electricity

4,468
MWh

↓4%



Natural gas

0.898
MWh

↓26%



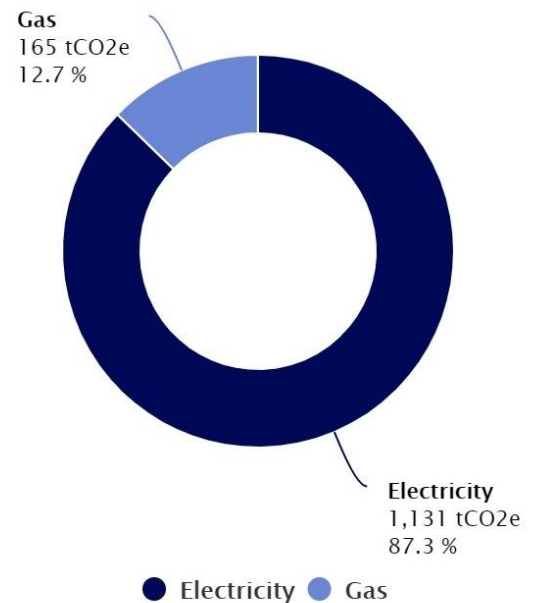
Energy intensity

841
kWh/employee

↓31%

2019/20 Highlights: Energy

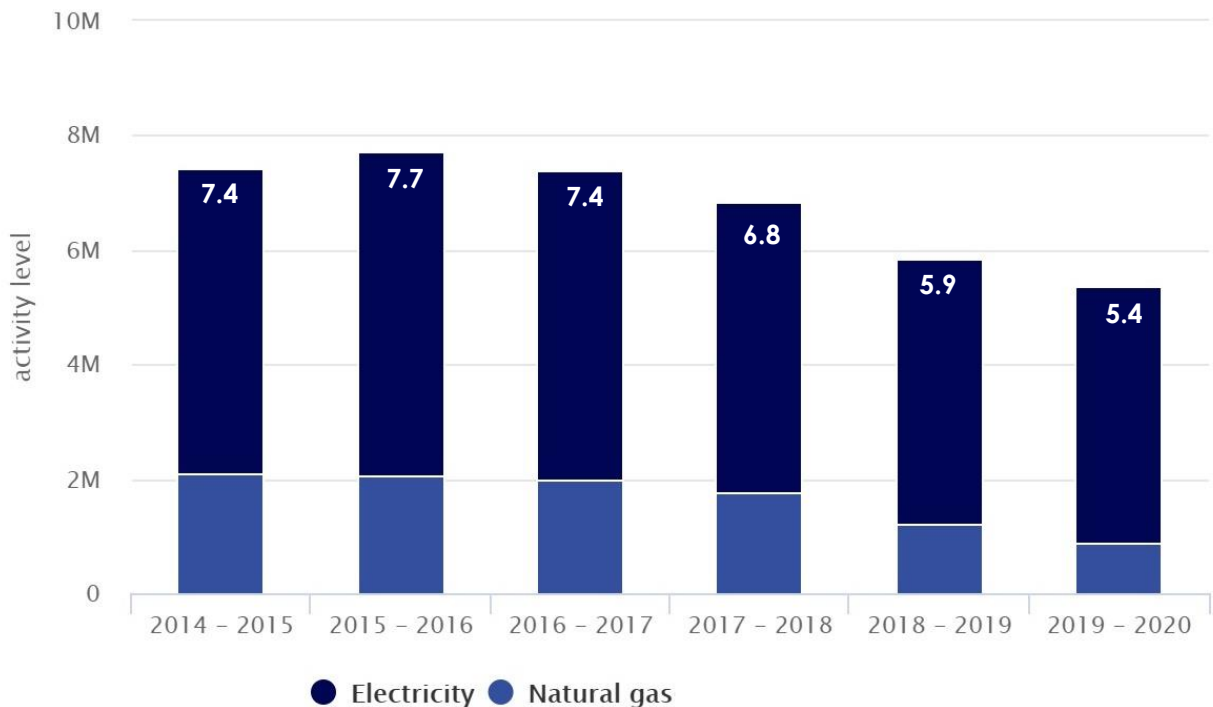
- Significant reduction in energy intensity despite increased headcount
- 8% reduction in total energy consumption
- Decarbonisation of the UK grid has contributed to a 15% reduction in emissions from electricity consumption.
- Sixth year of GHG reporting, with reliable energy data and stable energy consumption across BDO LLP's portfolio
- 9 offices now hold a BREEAM rating of very good or higher



ENERGY PERFORMANCE






BDO LLP have seen an 8% reduction in total energy consumption and a further 17% reduction in energy emissions due to decarbonisation of UK electricity grid. Emissions from natural gas and electricity account for 14% of total emissions and as a result are a significant portion of our carbon footprint. We continue to prioritise efforts to move to more energy-efficient buildings and nine offices now hold BREEAM rating of very good or higher. Through our efforts there has been over 30% reduction in energy intensity per employee since 2015/16. Alongside this, through our sustainability partners Avieco we completed our ESOS phase II compliance by conducting energy audits at selected sites to identify additional energy savings opportunities across our portfolio.

ENERGY CONSUMPTION OVER TIME (kWh)



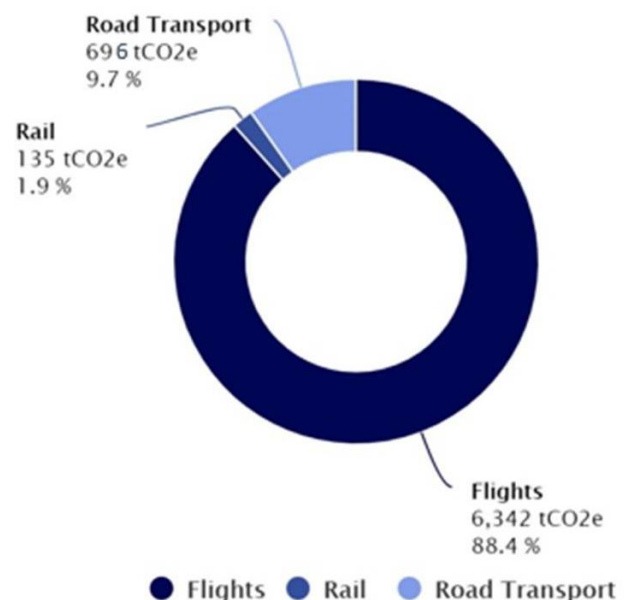
2019/20 PERFORMANCE: TRAVEL

“Business travel is closely correlated with headcount growth and increased significantly in Q1-Q3. Despite significant reductions in Q4 due to the impact of COVID-19 distance travelled increased by 3% vs 18/19.

 Total distance	 Air	 Rail	 Road	 Travel intensity
33.8 million km	26.1 million km	3.7 million km	3.9 million km	5,297 km/employee
↑3%	↑23%	↑46%	↓13%	↓22%

2019/20 Highlights: Travel

- Business travel is closely correlated with headcount and whilst total travel increased, our travel per FTE reduced by 22%
- Flights account for over 80% of travel emissions
- Long-haul business class flights account for over 30% of air travel
- Rail distance has increased in line with increased business travel but remains less emissions intensive than flights or road transport
- Road transport has decreased slightly despite increase in overall business travel and headcount growth



TRAVEL PERFORMANCE

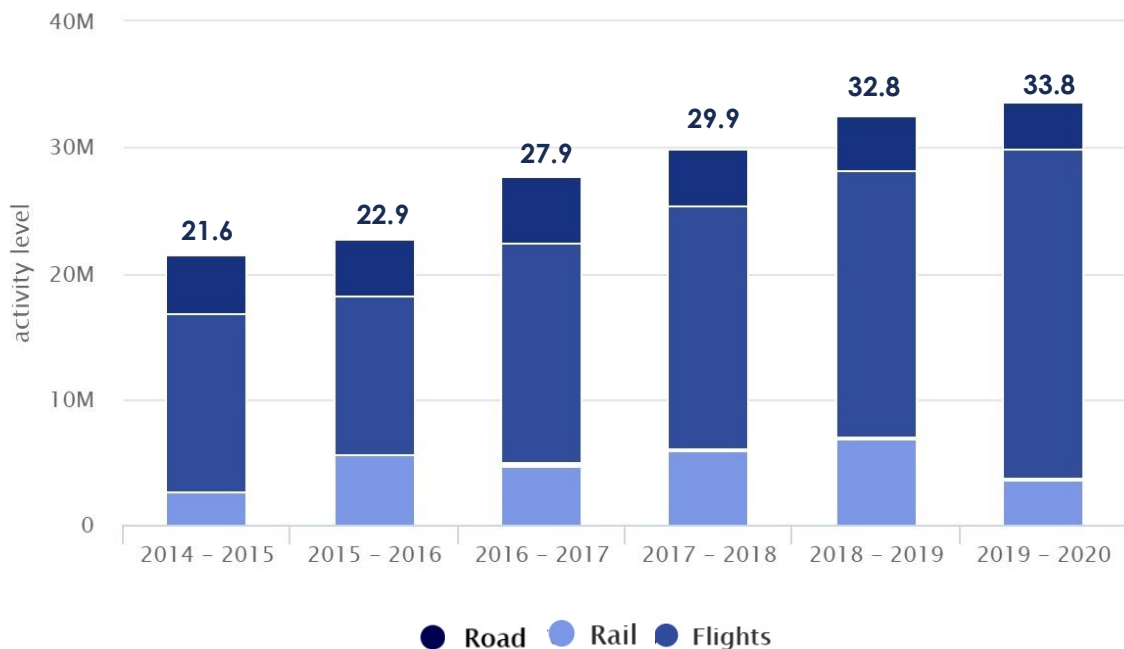
Business travel accounts for over 80% our carbon footprint, with flights specifically accounting for over 70% of our total emissions. This is largely driven by long-haul business class flights, which cause over 30% of our emissions from flights.

Rail and road transport make up the remaining portion of travel emissions, with road transport realising a slight decrease in both distance and emissions this year. Rail travel has also increased in line with headcount growth but the emissions from rail transport are significantly less intensive than flights or car travel and is less impactful on BDO LLP's overall footprint.

Due to the pandemic, travel significantly reduced in Q4 (Apr-Jun 2020) with many of our staff working from home. This shift in working practices will likely have a positive impact on our travel emissions in the future – a trend we will seek to learn from and maintain. As part of our business travel policy, we encourage our employees, to reduce their impact where possible, with the following key environmental considerations;

- Travelling by rail instead of air or road transport where feasible
- Flying economy class when taking domestic and short haul flights
- When travelling by car selecting low emissions vehicles or car sharing
- Continuing to utilise video conferencing where possible

BUSINESS TRAVEL OVER TIME (km)



2019/20 PERFORMANCE: OTHER

“Paper consumption has decreased, whilst water and waste remain largely estimated and an area of focus to improve data quality in 2020/21”



Paper



Intensity



Waste & Recycling



Intensity



Water



Intensity

47
tonnes

↓61%

0.01
tonnes/FTE

↓61%

898
tonnes

↓2%

0.14
tonnes/FTE

↓2%

62,645
m³

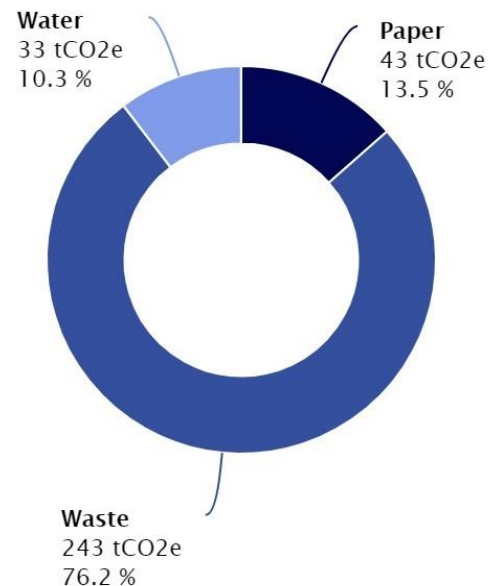
↑27%

9.8
m³

↑27%

2019/20 Highlights: Other

- Waste, water and paper account for less than 4% of total emissions
- Total paper consumption has decreased by 61% due to a reduction in paper use, owing to COVID-19, and a methodology change. We will seek to change printing habits post-COVID-19.
- Waste and water data remain estimated for selected sites, with consumption increasing in line with headcount.
- In 2020/21, we will focus on improving data quality for these resources



OTHER PERFORMANCE

Emissions from other building sources account for less than 4% of our total footprint with emissions from landfill disposal of waste accounting for more than half of this impact. In 2019/20, paper consumption has reduced by 69% due to internal paper reduction initiatives and a change in methodology to include updated emissions factors.

Waste and recycling remain partially estimated with recycling data received for all offices and waste to landfill based largely on historic assumptions. Water remains estimated for selected offices and as a result has increased in line with headcount growth. In 2020/21, we will focus on improving the quality of waste and water data where this is currently estimated.

CONSUMPTION OVER TIME

