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ANNUAL REPORTING 2026

IMPACT REPORT

START

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**This document is a supplement to the 2026 Impact Report;
one of a suite of reports covering the Financial Year 2026**
all of which can be accessed on our [website](#) in the [Reporting Portal](#) section.



1. Carbon Footprint Methodology

1.1 Purpose and Approach

The objective of this document is to state the calculation methodologies, boundaries, approaches, and decisions associated with BDO's FY26 scope 1, 2 and 3 carbon footprint.

For FY26, BDO has moved to using a different carbon accounting platform for its Scope 3 emissions, not including Categories 1 and 2. Scope 3 Categories 1 and 2 use a different methodology, aligned to the Watershed Open CEDA database, for FY26. More information on this new methodology is outlined in section 2.2.1. As part of this transition, data sources needed to be identified and mapped to the format for the new platform. During this process, any changes to the methodology were noted and can be found in Section 3.

1.2 Carbon Emissions

The carbon footprint is measured in the standard unit of carbon dioxide equivalent (CO2e) and has been calculated in line with the World Resource Institute (WRI)'s reporting standard the Greenhouse Gas (GHG) Protocol – A Corporate Accounting and Reporting Standard.

1.3 Reporting Approach

1.3.1 Organisational boundary

BDO's carbon footprint was calculated using an operational control approach. Under this approach, all entities and associated assets over which BDO has 100% operational control are included under the organisation's scope 1 and 2 emission categories.

All other entities, over which BDO does not have 100% operational control, such as joint ventures or third-party processing sites and data centres, are included in BDO's scope 3 emissions along with all other indirect emissions associated with the organisation.

Acquisitions are included at the point of ownership and include the historical reporting periods, dating back to the inception of the acquired entity.

Any divestments are no longer included. This applies to both current and historical reporting periods, including the baseline year, dating back to the inception of the divested entity.

1.3.2 Operational boundary

All BDO entities are included in the operational boundary, including the UK and international entities listed below. The list below summarises the physical sites included in the operational boundary.

Offices included in our operational boundary:

Outside the UK
BDO Edge, India
<i>Not within operational control, proportional emissions in Scope 3 Category 15</i>
BDO IIDA Tunisia
BDO IIDA Zimbabwe
BDO Wave Cape Town, South Africa
BDO Wave Durban, South Africa
BDO Wave Port Elizabeth, South Africa



Within the UK
Birmingham Snowhill
Bristol Bridgewater House
Cambridge Newton House
Edinburgh Citypoint
<i>End date 15 November 2025</i>
Edinburgh Semple Street
Gatwick
Glasgow Atlantic Square
Guildford Bottle Works
Ipswich Franciscan House
Leeds Central Square

Within the UK
Liverpool Temple Square
Liverpool Tithebarn
London Baker Street
London M Building
<i>Start date 1 June 2026</i>
Manchester Eden
Norwich Cavell House
<i>End date 5 December 2025</i>
Nottingham Water Court
Reading R+
Reading Thames Tower
Southampton Arcadia House

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1.3.3 International Operations

In addition to the office sites in the previous section, BDO has a number of staff members based overseas that are not based in a BDO LLP office. Emissions associated with relevant activity is included in the FY26 carbon footprint, specifically Scope 3 Category 7.

These employees are based in the following areas:

Algeria	Gabon	Mauritius	São Tomé and Príncipe
Armenia	Germany	Morocco	Senegal
Belgium	Ghana	Mozambique	South Africa
Benin	Haiti	Myanmar	Spain
Brazil	India	Netherlands	Sudan
Bulgaria	Indonesia	Niger	Timor-Leste
Burkina Faso	Italy	North Macedonia	Togo
Cambodia	Ivory Coast	Pakistan	Tunisia
Cameroon	Laos	Palestine	Turkey
Colombia	Lebanon	Peru	Ukraine
Democratic Republic of the Congo	Lithuania	Philippines	United Arab Emirates
El Salvador	Luxembourg	Portugal	Zambia
France	Madagascar	Romania	Zimbabwe



1.3.4 Emissions Categories

BDO includes all relevant emission sources and does not exclude any based on materiality thresholds. The table below describes the emission sources relevant to BDO.

Scope	GHG Category	Description	Applicable to BDO	In Scope
Scope 1	Natural Gas	Natural gas combusted in assets within the reporting company's operational control.	Yes	Yes
	Other fuels	Other fuels combusted in assets within the reporting company's operational control.	Yes	Yes
	Mobile combustion	Transport fuels combusted in assets within the reporting company's operational control.	No	No
	Refrigerants and other fugitive emissions	Fugitive refrigerants from conditioning systems within the reporting company's operational control.	Yes	Yes
	Process emissions	Emissions arising from industrial processes within the reporting company's operational control.	No	No
Scope 2	Purchased Electricity	Electricity procured for use in assets within the reporting company's operational control.	Yes	Yes
	Purchased heat	Heat procured for use in assets within the reporting company's operational control.	No	No
	Purchased steam	Steam procured for use in assets within the reporting company's operational control.	No	No
Scope 3	Purchased Goods & Services	Extraction, production and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in Categories 2-8.	Yes	Yes
	Capital Good	Extraction, production and transportation of capital goods purchased or acquired by the reporting company in the reporting year.	Yes	Yes
	Fuel- and Energy-Related Activities	Emissions related to the extraction, production and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in scope 1 or 2.	Yes	Yes

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Scope	GHG Category	Description	Applicable to BDO	In Scope
Scope 3	Upstream Transportation and Distribution	Transportation and distribution of products purchased by the reporting company in the reporting year between a company's tier 1 suppliers and its own operations. Emissions associated with the transportation and distribution of products are reported as Purchased Goods and Services from FY25 onwards.	Yes	Yes (Inc. in Purchased Goods & Services)
	Waste Generated in Operations	Disposal and treatment of waste generated in the reporting company's operations in the reporting year.	Yes	Yes
	Business Travel	Transportation of employees for business-related activities during the reporting year.	Yes	Yes
	Employee Commuting & Working from Home	Transportation of employees between their homes and their worksites during the reporting year and working from home emissions.	Yes	Yes
	Upstream Leased Assets	Operation of assets leased by the reporting company in the reporting year and not included in scope 1 and scope 2.	No	No
	Downstream Transportation and Distribution	Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer, including retail and storage.	No	No
	Processing of Sold Products	Processing of intermediate products sold in the reporting year by downstream companies.	No	No
	Use of Sold Products	End use of goods and services sold by the reporting company in the reporting year.	No	No
	End-of-life Treatment of Sold Products	Waste disposal and treatment of products sold by the reporting company at the end of their life.	No	No

Scope	GHG Category	Description	Applicable to BDO	In Scope
	End-of-life Treatment of Sold Products	Waste disposal and treatment of products sold by the reporting company at the end of their life.	No	No
	Downstream leased assets	Operation of assets owned by the reporting company and leased to other entities in the reporting year, not included in scope 1 and scope 2.	No	No
	Franchises	Operation of franchises in the reporting year, not included in scope 1 and scope 2.	No	No
	Investments	Operation of investments in the reporting year, not included in scope 1 or 2.	Yes	Yes



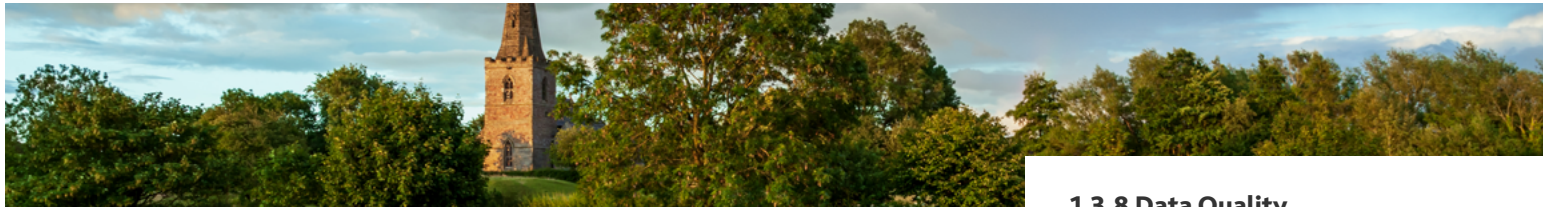
1.3.5 Reporting period

BDO's carbon footprint reporting period for our 2026 financial year is 5 July 2025 to 3 July 2026. This is aligned with BDO's financial reporting period following best practice guidance.



Any new offices and buildings in this reporting period are expected to report their emissions within the time frame. For any acquisitions within the time frame, they will be included in the reporting period as soon as the data is available and the methodology is aligned to the rest of the footprint.

1. Carbon Footprint Methodology



1.3.6 Re-baseline requirements

The following events may trigger a recalculation or a re-baseline exercise (i.e. the carbon footprint year used to set company targets):

- ▶ Structural changes to the organisational boundary (i.e. merger/ acquisition / demerger)
- ▶ Changes in calculation methodology
- ▶ Discovery of error

A recalculation or re-baseline exercise is triggered when the significance threshold is breached. In this case this is 5% of the total carbon footprint inventory or 5% within a single emissions category.

We may restate below this threshold if there are category changes or moves that are inconsistent between years to ensure comparable reporting year on year.



1.3.7. Emissions Factors

The emissions factors used are from the following datasets:

- ▶ UK Government GHG Conversion Factors for Company Reporting – 2025
- ▶ IEA Emissions Factors (2024)
- ▶ IEA Emissions Factors (2025)
- ▶ 2024 Association of Issuing Bodies. European Residual Mixes.
- ▶ 2023 Eora66 MRIO emission factors
- ▶ 2025 Watershed CEDA emissions factors

Data sources

- ▶ Generating low-cost national energy benchmarks (Martin, 2013)

1.3.8 Data Quality

BDO uses a range of methodologies to calculate carbon emissions for different activities and entities. Various levels of data quality are available across the different emission categories; therefore, different methodologies are applied. Data types are prioritised using a specific data quality hierarchy:

1. **Primary data:** actual consumption data, e.g. litres of fuel or kWh consumed
2. **Secondary data:** data one step removed from actual consumption data, e.g. car mileage
3. **Tertiary data:** data two or more steps removed from actual consumption values, e.g. spend data.

Where only spend data is available, the preferred option is to approximate spend data to primary data (e.g. using the average price per litre of fuel).

If spend data cannot be converted to primary data, a combination of Extended Environmental Input-Output (EEIO) models, national economic input-output tables, country- and sector-specific GHG inventories, and global supply chain lifecycle emissions modelling is used to estimate emissions associated with spend in a given sector of the economy in a given geography.

This method is the least preferred as it does not reflect the specificities of BDO's operations and supply chain and therefore limits the ability to demonstrate emission reductions over time. However, it is a useful tool to help achieve boundary completeness in the absence of primary or secondary data. In the absence of complete data, estimations and extrapolations are used.

1.3.9 Estimations

In the absence of complete data, estimations and extrapolations are acceptable:

- ▶ Where individual days need to be estimated, the most relevant, closest time frame (e.g. same month) was used to work out a per day usage figure and then scaled up to the number of days that were missing.

- ▶ Where months or quarters of data needed to be estimated, estimations from the most relevant time frame were used as an average (e.g. previous/following month or quarter).
- ▶ Where there was no data for UK offices, then the average across the other UK locations with activity data was calculated per FTE and scaled up to the FTE per the location that was missing data.
- ▶ Where there was no electricity data for BDO Wave offices, a benchmark for office energy consumption in the Cape Town region was applied (Martin, 2013) to estimate electricity consumption.
- ▶ Where estimations based on averages of other offices were calculated during the Q1 – Q3 data collection, these were not updated during the Q4 data collection to use the full year readings as the estimations remained relevant and used 75% of the year's data. Any estimations based on averages of other offices in Q4 used the full year readings from offices.

2. Methodology Approach

2.1 Scope 1 & 2 emission categories

Scope	Category	Description
Scope 1	Natural gas	Data collectors across all BDO UK sites, including those that are non-UK sites, collect data from invoices, landlord recordings or meter readings.
	Refrigerants	Data collectors across all BDO UK sites, including those that are non-UK sites, confirm whether there have been any refrigerant leaks. If there have, they provide a refrigerant report or certificate.
	Liquid fuel	Data collectors in the IIDA offices collect data regarding fuel use in back-up generators.
Scope 2	Electricity	Data collectors across all BDO UK sites, including those that are non-UK sites, collect data from invoices, landlord recordings or meter readings.

Scope 1 & 2 emissions are calculated using an activity-based emission approach. This approach uses actual consumption data (e.g. kWh of energy used) which is multiplied by the relevant carbon emissions factor.

2.1.1 Natural Gas

Natural gas is collected in m³ and converted into kWh using a conversion from the UK Government GHG Conversion Factors for Company Reporting emissions factor dataset. The kWh usage is then multiplied by the appropriate emissions factor.

Data hierarchy – Primary data: natural gas consumption in m³.

2.1.2 Refrigerants

Refrigerants are provided in kg for each refrigerant type. Refrigerant emissions are any top ups during servicing/inspection due to leakage from equipment e.g. air conditioning systems. The kg usage is then multiplied by the appropriate emissions factor from the UK Government GHG Conversion Factors for Company Reporting emissions factor dataset.

Data hierarchy - Primary data: refrigerant top-up amount in kg.

2.1.3 Liquid Fuel Use

Liquid fuel is collected in litres for back-up generators at our IIDA offices in Africa. The litre usage is then multiplied by the appropriate emissions factor from the UK Government GHG Conversion Factors for Company Reporting emissions factor dataset.

Data hierarchy - Primary data: liquid fuel in litres.



2.1.4 Electricity

Building electricity data is collected in kWh or as meter readings. When meter readings are used, the electricity consumption is calculated accordingly. The kWh usage is then multiplied by the appropriate emissions factor.

Data hierarchy - Primary data: electricity consumption in kWh.

For scope 2 electricity, both market-based and location-based emission factors are calculated as per the GHG Protocol Scope 2 guidance.

- ▶ Location-based electricity is calculated based on the average emissions intensity of grids in which energy consumption occurs. The relevant carbon conversion factors were based on the UK Government GHG Conversion Factors for Company Reporting for UK sites and IEA for non-UK sites.
- ▶ Market-based electricity is calculated using specific electricity emission factors sourced directly from suppliers reflecting the true emissions associated with the energy mix purchased (i.e. 0 tCO₂e for renewable electricity). Where supplier specific emissions factors were not available, residual mix factors were applied, using the EU AIB 2024 factors. For non-EU locations, residual mix factors are not available therefore location-based IEA factors were used.

2. Methodology Approach

2.2 Scope 3 emission categories

2.2.1 Scope 3 Categories 1 & 2: Purchased Goods & Services and Capital Goods

Boundary & Exclusions

Scope 3 categories 1 (purchased goods and services) and 2 (capital goods) includes all upstream emissions associated with BDO's procurement activity that are not captured elsewhere within a more specific emissions category (e.g. energy procurement).

Emissions associated with procurement activity includes all emissions from the extraction, production and transportation of goods and services purchased and accounted for during the reporting year. Capital goods are those bought by the reporting company for long term use and subsequently appear on the company's balance sheet.

Activity Data

Physical activity was provided for water consumption (m³) for UK offices. Water consumption at BDO Wave offices has been estimated based on water consumption at BDO's UK offices. All other procurement activity data was spend based and provided in GBP.

Methodology: Water Supply

Emissions were calculated by combining water consumption with relevant emissions factors. All emission factors applied are from the UK Government GHG Conversion Factors for Company Reporting.

Methodology: Other Procurement Activity

Emissions were calculated using a spend-based approach, combining supplier spend with Watershed's Open Comprehensive Environmental Data Archive (CEDA) 2025 emissions factors. These factors come from a combination of Environmentally Extended Input-Output (EEIO) models, national economic input-output tables, country- and sector-specific GHG inventories, and global supply chain lifecycle emissions modelling.

Under this approach, procurement transactions were mapped to CEDA categories and countries, and corresponding emissions factors are applied using the publicly accessible purchaser price dataset. CEDA factors quantify emissions associated with spend in a given economic sector and geography.



2.2.2 Scope 3 Category 3: Fuel- and Energy-related Activities

Boundary & Exclusions

Emissions reported in scope 3 category 3 relate to the upstream emissions associated with all activity reported in BDO's scope 1 and 2 categories. This includes the WTT and T&D emissions associated with all energy consumption at sites under BDO's operational control.

Activity Data

Exactly as per scope 1 and 2 activity data.

Methodology

Fuel and energy-related emissions associated with activity data included in scope 1 or scope 2 emissions sources have been calculated using the process-based method as follows:

- ▶ For fuels, WTT emission factors have been applied to activity at all sites. All emission factors applied are from the UK Government GHG Conversion Factors for Company Reporting.
- ▶ For electricity, WTT (generation), T&D and WTT (T&D) emission factors have been applied to all electricity consumption to provide the full picture of the indirect emissions associated with BDO's electricity consumption. For UK consumption, emission factors are from the UK Government GHG Conversion Factors for Company Reporting dataset. For international electricity consumption, IEA 2024 emissions factors have been applied.

2. Methodology Approach

2.2.3 Scope 3 Category 5: Waste Generated in operations

Boundary & Exclusions

Emissions from the management of all solid waste and wastewater from all sites within BDO's operational control.

Activity Data

Physical activity was provided for all solid waste streams by disposal method (kg or t) and water treatment (m³) for all UK sites. Waste generation at IIDA and BDO Wave offices has been estimated based on waste generation at BDO's UK offices.

Methodology – Solid Waste

Solid waste emissions were calculated by combining physical (actual or estimated) waste data with the relevant emissions factor from the UK Government GHG Conversion Factors for Company Reporting emissions dataset.

Total waste generated by waste stream (e.g. paper, residual, food etc.) and by disposal method (e.g. landfill, recycling, combustion etc.) was provided for each site.

Waste generation data was provided for BDO UK sites only. This UK based consumption data was used to estimate waste stream and disposal method per day per full-time equivalent employee (FTE), which was subsequently applied to the headcount at each IIDA and BDO Wave office. All emission factors applied are from the UK Government GHG Conversion Factors for Company Reporting.

Methodology - Water Treatment

Water treatment volumes are assumed to equal the water consumption volumes; therefore, the activity data is the same as the water supply activity data for all sites. All emission factors applied are from the UK Government GHG Conversion Factors for Company Reporting.



2.2.4 Scope 3 Category 6: Business Travel

Boundary & Exclusions

Emissions generating activity includes all transportation of employees and all hotel stays in assets not under BDO's operational control for business-related purposes during the reporting year. All calculated emissions include upstream WTT emissions where applicable.

Activity Data

The activity data includes secondary data (km, passenger km travelled, number of room nights in hotels) as extracted from BDO's travel provider, and expense data extracted from BDO's procurement system. We also receive pre-calculated emissions in a report from our taxi provider.

Methodology

Business travel emissions were calculated by combining the activity data with the relevant emission factor. The following details the emission factors applied to the activity data:

- ▶ Where there is secondary data e.g. km travelled or number of room nights, emissions factors from the UK Government GHG Conversion Factors for Company Reporting. All flight emissions factors include the radiative forcing component. Where there are unavailable emissions factors for the specific country that the hotel stay is in, a European or Rest of World average is used.
- ▶ Any travel or hotel stays with spend data is converted into USD in Envizi and the relevant emissions factor from the Eora Global Supply Chain Database.
- ▶ Pre-calculated emissions from our taxi provider are calculated using DVLA emissions factors based on registration numbers. Any vehicles that do not have a DVLA emissions factor use an average of the cars that do have a DVLA emissions factor.

2. Methodology Approach

2.2.5 Scope 3 Category 7: Employee Commuting and Working from Home

Boundary & Exclusions

All emissions generating commuting and home working activity has been calculated and reported. This includes both home working and commuting activity for UK, IIDA and BDO Wave employees. Only home working activity is included for BDO employees based in countries without a BDO office to commute to. All calculated emissions include upstream WTT emissions where applicable.

Activity Data

Physical data was estimated based on the outputs of the FY26 BDO all staff employee commuting and home working survey.

Methodology

Employee commuting and home working emissions were calculated based on results from the FY26 all staff survey. The survey responses provide information about employee commuting and home working habits specific to each UK office location, including transport mode, distance, frequency and household energy consumption.

The outputs of the survey were used to generate average activity data per employee which was used to estimate total activity for all UK and international employees. Activity data for IIDA and employees outside of UK and South Africa has been estimated based on BDO UK employees' activity data.

All emission factors applied are from the UK Government GHG Conversion Factors for Company Reporting. South African and Indian electricity factors have been used for, and UK electricity factors have been used for UK and international electricity consumption, apart from South Africa and India which has used South African and Indian electricity factors from IEA.



2.2.6 Scope 3 Category 15: Investments

Boundary & Exclusions

This category includes the indirect emissions associated with a company's investments that are not already included in its Scope 1 or Scope 2 emissions. For BDO, this includes the emissions of one overseas entity only, BDO Edge, an entity based in Gurugram, India.

BDO UK has a 20% equity share of BDO Edge and does not have operational control.

In line with the GHG Protocol's minimum requirements, only BDO Edge's scope 1 & 2 emission sources have been included within the reporting boundary. As such, the only included emission sources are electricity consumption and diesel fuel consumption at the Gurugram office.

Activity Data

All activity data provided was physical data (kWh of electricity consumed and litres of diesel consumed).

Methodology

Energy consumption provided for BDO Edge was for 100% of the Gurugram office electricity consumption. BDO UK accounts for the proportional scope 1 and 2 emissions of BDO Edge that occur in the reporting year, therefore accounting for 20% (in line with its equity share) of total electricity consumption using the IEA electricity emissions factors and UK Government GHG Conversion Factors for Company Reporting.

3. Changes to prior year

These are the areas in FY26 where our calculations deviated from historical methods, described below. These deviations triggered a recalculation of all prior year footprints, including our baseline year.

Reporting Area	Overview of Change/Update
Scope 3 Categories 1 & 2: Purchased Goods & Services and Capital Goods	We moved to a different emissions factor dataset for spend-based data in Scope 3 Categories 1 and 2. This new methodology was significantly different (>5% difference in total Scope 1, 2 and 3 emissions) and so triggered the restatement policy to recalculate all our prior years of data using this new methodology.
Scope 3 Category 7: Employee commuting and home working	We adjusted our methodology to account for heating efficiencies in boilers used for homeworking. This methodology change did not significantly impact (>5% difference) our total Scope 1, 2 and 3 footprint, so previous emissions in this category have not been restated.



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