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# BDO LLP

## Carbon Footprint Methodology FY25

October 2025

BDO

# Contents

# 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 FY25 scope 1, 2 and 3 carbon footprint.

For FY25, BDO has moved to using a different carbon accounting platform. 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. GHG Emissions

The carbon footprint is measured in the standard unit of carbon dioxide equivalent ($CO_2e$) 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 any disposals are no longer included from the point of loss of ownership by BDO.

### 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:

| Region | Site | Comments |
|---|---|---|
| Outside UK | BDO Edge, India | Not within operational control, proportional emissions in Scope 3 Category 15 |
| | BDO IFI Burundi | |
| | BDO IFI Madagascar | |
| | BDO IFI Tunisia | |

| Region | Site | Comments |
|---|---|---|
| | BDO IFI Zimbabwe | |
| | BDO Wave Cape Town, South Africa | Start date 1st April 2025 |
| | BDO Wave Durban, South Africa | Start date 1st April 2025 |
| | BDO Wave Port Elizabeth, South Africa | Start date 1st April 2025 |
| | BDO Wave Stellenbosch, South Africa | Start date 1st April 2025 |
| UK | Birmingham Snowhill | |
| | Bristol Bridgewater House | |
| | Cambridge Newton House | |
| | Edinburgh Citypoint | |
| | Edinburgh Semple Street | Start date 19th March 2025 |
| | Gatwick | |
| | Glasgow Atlantic Square | |
| | Guildford Bottle Works | Start date 20th August 2024 |
| | Guildford Chertsey Street | End date 4th December 2024 |
| | Ipswich Franciscan House | |
| | Leeds Central Square | |
| | Liverpool Temple Square | |
| | Liverpool Tithebarn | |
| | London Baker Street | |
| | Manchester Eden | |
| | Manchester Spinningfields | End date 31st July 2024 |
| | Norwich Cavell House | Start date 6th January 2025 |
| | Norwich Yare House | End date 25th January 2025 |
| | Nottingham Water Court | |
| | Reading R+ | |
| | Reading Thames Tower | |
| | Southampton Arcadia House | Start date 1st August 2024 |
| | Southampton Basepoint | End date 31st December 2024 |

### 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 FY25 carbon footprint, specifically Scope 3 Category 7. These employees are based in the following areas:

- Algeria
- Bangladesh
- Belgium
- Benin
- Brazil
- Bulgaria
- Burkina Faso
- Cambodia
- Cameroon
- Chad
- Colombia
- Czechia
- Democratic Republic of Congo
- El Salvador
- France
- Gabon
- Germany
- Ghana
- Haiti
- India
- Indonesia
- Italy
- Ivory Coast
- Laos
- Lebanon
- Lithuania
- Luxembourg
- Mali
- Morrocco
- Mozambique
- Myanmar
- Netherlands
- Niger
- North Macedonia
- Northern Ireland
- Pakistan
- Palestinian National Authority
- Peru
- Philippines
- Portugal
- Qatar
- Romania
- São Tomé and Príncipe
- Senegal
- Spain
- Sudan
- Sweden
- Timor-Leste
- Togo
- Turkey
- United Arab Emirates
- Zambia

### 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 | Applicability 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 |

| Scope | GHG Category | Description | Applicability to BDO | In Scope |
|---|---|---|---|---|
| | 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 |
| | 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 |

| Scope | GHG Category | Description | Applicability to BDO | In Scope |
|---|---|---|---|---|
| | 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 |
| | 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 2025 financial year is 6th July 2024 to 4th July 2025. This is aligned with BDO's financial reporting period following best practice guidance.

Any acquisitions, including new buildings, in the reporting period are expected to report their emissions in the reporting period that they were acquired in. As soon as acquisitions are known, data collectors will be identified to supply activity data regarding the operations and site activities.

### 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
- UK Government GHG Conversion Factors for Company Reporting - 2024
- IEA Emissions Factors (2023)
- IEA Emissions Factors (2024)

- 2023 Association of Issuing Bodies. European Residual Mixes.
- BDO's FY24 procurement related emissions factors, based on Eora Global MRIO factors

Data sources

- Generating low-cost national energy benchmarks (Martin, 2013)
- International Monetary Fund Consumer Price Index - 2024
- World Development Indicators Consumer Price Index – 2024
- HMRC conversion factors – 2023 and 2024
- Bike Radar for e-bike electricity consumption

### 1.3.8. Data Quality

BDO uses a range of methodologies to calculate GHG 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 in primary data, Extended Environmental Input-Output (EEIO) 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 acceptable:

### 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 the 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 IFI 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 conversion factor.

### 2.1.1. Natural Gas

Natural gas is collected in $m^3$ and converted into kWh using a conversion from the DESNZ emissions factor dataset. The kWh usage is then multiplied by the appropriate emissions factor.

Data hierarchy – Primary data: natural gas consumption in $m^3$.

### 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.

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 IFI offices in Africa. The litre usage is then multiplied by the appropriate emissions factor.

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 $tCO_2e$ 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.

## 2.2. 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 acquired 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 ($m^3$) for UK offices. Water consumption at IFI and 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 following a spend-based approach, combining spend per supplier with Environmentally Extended Input-Output (EEIO) factors. EEIO factors are spend-based emission factors that quantify the GHG emissions associated with spending a unit of money in a specific sector of the economy and specific world region.

#### EEIO Emissions Factors

The EEIO emissions factors used for FY25 calculations are based on those used for FY24 reporting. The FY24 factors are based on the Eora Global EEIO factors, tailored for the professional services sector. The FY24 factors are presented in terms of $kgCO_2e$/GBP. To align with the FY24 approach, the FY24 factors were adjusted for inflation and exchange rates to bring them into FY25 terms.

- Inflation adjustments were made using the IMF Consumer Price Index (CPI) 2024 figures to reflect the latest full year economic conditions for all global regions.
- Changes to exchange rates between FY24 and FY25 were calculated using HMRC 2023 and 2024 average annual exchange rates to reflect the relative buying power of GBP versus various currencies.

While this approach provides a consistent and scalable method for estimating emissions from procurement activity, it does not account for changes in the emissions intensity of spend categories over time. However, this methodology is considered acceptable for estimation purposes, given that a revised methodology will be introduced next year. Any error resulting from this simplification is likely to result in an over-estimate of emissions, given that the UK economy, in which most of BDO's spend occurs, decarbonised over the reporting year.

### 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 - 2025. For international electricity consumption, IEA 2024 emissions factors have been applied.

### 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) and water treatment ($m^3$) for all UK sites. Waste generation at IFI and BDO Wave offices has been estimated based on waste generation (solid and wastewater) 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.

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 IFI and BDO Wave office. Note that for BDO Wave, only the floor area per site and the total headcount were provided. The headcount per site was therefore estimated based on the occupied floor area of each 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 physical data (km and passenger km travelled) and proxy data (number of room nights in hotels) as extracted from BDO's travel provider, and expense data extracted from BDO procurement systems.

#### 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:

- Business flights, rail and cars – all flight emissions factors include the radiative forcing component. All emissions factors applied are from the UK Government GHG Conversion Factors for Company Reporting.
- Hotel stays – most room per night factors are available in the UK Government GHG Conversion Factors. Where unavailable, emission factors have been accessed from the Hotel Footprint Calculator tool in May 2025 for either the specific country, or average for a region.

- Spend – all spend-based emissions factors are based on the approach outlined in Scope 3 Category 1 & 2 – Purchased Goods and Services & Capital Goods.

### 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, IFI and BDO Wave employees. However, only home working activity is included for non-permanent BDO employees based in countries without a BDO UK 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 FY24 BDO all staff employee commuting and home working survey. The survey is run every two years, and so the outputs of the FY24 survey provide the most up to date information about BDO employees' commuting and home working habits.

#### Methodology

Employee commuting and home working emissions were calculated based on results from the FY24 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 for FY24 reporting. The FY24 reporting activity data set at each location was subsequently updated for FY25 by adjusting for the average permanent and non-permanent FTE at each location. Activity data for IFI and BDO Wave in FY25 has been estimated based on BDO UK employees' FY25 activity data.

For employees in new international locations without a BDO UK office to commute to, the average home working activity data per FTE per year for all other international locations was used to estimate activity data.

All emission factors applied are from the UK Government GHG Conversion Factors for Company Reporting. Some BDO staff commute to work using e-bikes. There is no e-bike emissions factor in the UK Government database and as such it has been estimated based on a total UK electricity factor (i.e. the combination of generation, T&D, WTT (generation) and WTT (T&D)) and an average energy efficiency (Bike Radar). UK electricity factors have been used for international electricity consumption with negligeable impact to overall emissions reporting.

### 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 India, and is a new category for BDO in FY25.

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

BDO Edge calculates and reports its emissions based on operational control. On the 1st February 2025, BDO Edge took responsibility for office space in Gurugram which includes electricity consumption only. Prior to that, BDO Edge employees were working from office space outside of BDO Edge's operational control. As such, emission sources included in this category are those associated with the office space occupied from the 1st February 2025 only.

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 source is electricity consumption at Gurugram office from the 1st February 2025 to year end.

### Activity Data

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

### Methodology

Energy consumption provided for BDO Edge was for 100% of the Gurugram office electricity consumption. BDO UK accounts for the proportional scope 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 2024 international electricity emissions factors.

# 3. Changes to prior year

There are some areas in FY25 where our calculations deviated from historical methods, described below. These deviations do not trigger a recalculation of prior year footprints.

| Reporting Area | Overview of Change/Update |
|---|---|
| Scope 1 & 2: Company and leased cars | BDO has no company cars, a sub-sector of employee cars was incorrectly identified as company cars in historic reporting. |
| Scope 3 Cat 4: Upstream transportation and distribution | This has been moved into Purchased Goods & Services as activity data previously provided by courier is not available for FY25. |
| Scope 3 Cat 8: Upstream Leased Assets | The Southampton Basepoint office was treated as a leased asset in FY24. However, BDO has operational control over this office and therefore, emissions are reported as scope 1 and 2 sources for FY25. |
| Scope 3 Cat 15: Investments | New in scope category for FY25 resulting from BDO Edge's emissions. |

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