PKF Group
Environmental, Social and Governance
Transition Report 2024
and
Carbon Reduction Plan 2025

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Created by: Positive Planet

Our Carbon Footprint.

Methodology

Our footprint has been calculated using principles from The Greenhouse Gas Protocol: A Corporate Accounting Standard. We have measured emissions from all scope 1, scope 2 and upstream scope 3 activities and reported these under the greenhouse gas (GHGs) categories outlined in the standard. Downstream scope 3 emissions, which include emissions associated with the disposal of sold products at the end-of-life and goods transportation organised by the customer, have not yet been measured.

- Scope 1 emissions: direct greenhouse gas emissions that occur from sources owned or controlled by a company, such as emissions from the combustion of fuels in on-site boilers, furnaces, or vehicles.
- Scope 2 emissions: indirect greenhouse gas emissions that result from the generation of purchased electricity, steam or other forms of energy consumed by a company.
- Scope 3 emissions: all other indirect greenhouse gas emissions that occur in an organisation's value chain, including emissions from upstream and downstream activities.

Emissions of all 7 Kyoto Protocol greenhouse gases were measured: Carbon Dioxide (CO_2), Methane (CH_4), Nitrous Oxide (N_20), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur Hexafluoride (SF_6) and Nitrogen Trifluoride (NF_3). For final reporting, these gases have been converted into tonnes of carbon dioxide equivalent (tCO_2e) using their relative global warming potential (GWP) for a 100-year period.

Emissions relating to electricity usage are reported in two ways throughout the report: location-based and market-based. The location-based method reflects the fuel mix of the grid from which the electricity was purchased as a whole, regardless of purchasing agreements (e.g. renewable energy tariffs), whilst the market-based method does take these into account. Results using both methods must be disclosed; however, market-based emissions will be used in final reporting as this more closely reflects our choices when it comes to electricity purchases.

Throughout this report, our operational emissions and outsourced manufacturing emissions are reported separately, although both make up our total carbon footprint.

PKF Group Total Emissions.

Baseline & Current Emissions

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced before the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Current Year: 2024			
We have measured all scope 1, scope 2 and upstream scope 3 emissions using the operational control approach. • We have measured emissions associated with outsourced manufacturing activities. As our outsourced emissions are a core part of our operational nature of the business, we would like to voluntarily enclose these figures in addition to our total carbon footprint. • Details for operational (under PKF's control) and manufacturing (factories) are below. • Total figures reflect all activities including operational and factories, (see page 4 for more information).			
Emissions	Operational (tonnes CO_2e)	Factories (tonnes CO_2e)	Total (operational + factories) (tonnes CO_2e)
Scope 1 (Stationary Combustion & Mobile Combustion)	17.3	286	303.3
Scope 2 (Purchased electricity)	Location-based: 7.0 Market-based: 1.5	Location-based: 10,607.7 Market-based: 10,607.7	Location-based: 10,614.6 Market-based: 10,609.2
Scope 3 (Including Factory Materials)	1,816.8	47,431.7	49,248.1
Total Emissions	**Location-based: 1,841.1** **Market-based: 1,835.6**	**Location-based: 58,325.4** **Market-based: 58,325.4**	**Location-based: 60,166.0** **Market-based: 60,160.6**

Breakdown of emissions by GHG category (inc. operational emissions + factory emissions, excluding materials).

Emissions Categories	Operational	Factories	Total
Scope 1			
Stationary Combustion	4.2	138.1	142.4
Mobile Combustion	13.1	146.8	159.8
Fugitive Emissions	0.0	1.1	1.1
Process Emissions	0.0	0.0	0.0
Scope 2			
Electricity (Location-based)	7.0	10,607.7	10,614.6
Electricity (Market-based)	1.5	10,607.7	10,609.2
Heat & Steam	0.0	0.0	0.0
Scope 3			
Goods & Services	208.6	0.0	208.6
Capital Expenditure	30.9	0.0	30.9
Fuel- and energy-related activities	72.1	3,207.5	3,279.6
Upstream Transportation and Distribution	977.1	1,300.2	2,277.3
Waste Generated In Operations	2.3	48.7	50.9
Business Travel	502.1	0.0	502.1
Commuting	23.7	0.0	23.7
Upstream Leased Assets	0.0	0.0	0.0
Total inc. operational and factories, excluding materials			17,291.0

Progress

PKF Group has completed carbon footprint assessments for 2021, 2022 and 2023 prior to the current measurement detailed in this report.

Between 2023 and 2024, we widened the scope of our measurement, including emissions sourced that had not previously been included, and we refined the categorisation of our emissions sources. Our emissions were measured by Positive Planet from 2024 onwards, and, therefore, changes to the carbon accounting methodology to be considered.

Table 1 details the measurement results for all four years, as well as the changes that have occurred with regard to methodology and activity. The differences in methodology mean it is difficult to compare progress over time. Instead, Table 2 provides a summary of the activity behind the figures, which should be used for progress tracking.

As the measurement methodology for 2024 and the previous 3 years is not the same, we cannot compare total emissions. We can, however, compare activity over time for the factories that have been included in all measurements.

Table 1. Emissions Results Comparison 2021 – 2024 - Operational

Emissions Results Comparison	2021	2022	2023	2024	Changes
Scope 1					
Stationary Combustion	3.6	3.4	3.2	4.2	Emissions here have increased as a result of increased gas use, see Table 2.
Mobile Combustion	NM	NM	NM	13.1	Emissions associated with company vehicle use were previously categorised under scope 3.
Scope 2					
Location-based Electricity	4.1	4.6	5.6	7.0	Emissions have increased as a result of increased electricity use, see Table 2.
Market-based Electricity	NM	NM	NM	1.5	Only Location-based electricity emissions were previously measured.
Scope 3					
Purchased Goods & Services	0.09	0.04	0.02	208.6	Only water use emissions were previously included; in 2024, we measured emissions associated with all overhead purchases.
Capital Goods	NM	NM	NM	30.9	Capital Goods emissions were not measured until 2024.
Fuel- and Energy-Related Emissions	2.2	2.4	2.7	72.1	Fuel- and Energy-Related Emissions were only calculated in relation to electricity consumption; from 2024, these have been included for all scope 1, scope 2 and scope 3 energy use activities.
Upstream Transportation and Distribution	4.2	7.8	0.5	977.1	This category previously only included emissions associated with DHL deliveries. Sea freight was previously included in the manufacturer's footprint, but we have included it here from 2024 since we pay for it.
Waste Generated in Operations	6.8	0.3	6.8	2.3	The same amount of waste was produced across the first three reporting years; the reason for the decrease in emissions in 2022 is unknown. More waste was produced in 2024, but all waste previously had been reported as going to landfill; however, this year, we accounted for recycling using average recycling rates.
Business Travel	12.8	183.8	975.2	502.1	Business Travel emissions have been calculated in the same way across all four years, aside from some company car travel being previously included here rather than scope 1.
Employee Commuting	22.9	15.9	15.6	23.7	From 2024, we have included homeworking emissions.
Total	56.6	218.3	1,009.6	1,835.6	

Table 2. Operational Activity Comparison 2021 – 2024

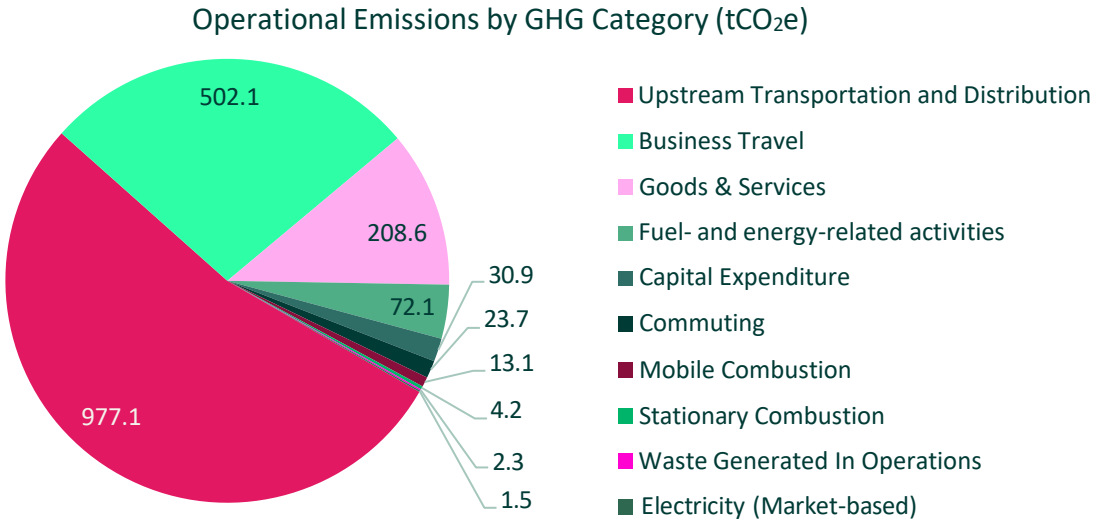
	Unit	2021*	2022	2023	2024
Gas Use	kWh	19,629	18,469	17,706	23,228
Electricity Use	kWh	19,360	23,755	28,705	33,601
Water Use	m3	250	125	125	123
Waste	Tonnes	15	15	15	17
Short-haul, to/from UK - Economy class	km	16,596	5,346	76,974	54,962
Short-haul, to/from UK - Business Class	km	None	12,603	7,398	720
Long-haul, to/from UK - Economy class	km	None	71,247	528,776	301,653
Long-haul, to/from UK - Business class	km	21,776	100,719	323,957	381,260
International - Economy class	km	None	119,286	128,489	330,682
International - Business class	km	None	267,616	582,027	404,606
Employee Mileage	km	5,690	4,006	8,470	9,307
Rail	km	4,459	None	16,238	8,001
Freight - Air	Tonne.km	7,629	13,990	809	722
Freight - Land	Tonne.km	66	420	109	21
Commuting	Km	124,737	135,296	132,662	112,668

Water consumption, air freight, land freight and commuting distance have all decreased since the base year, but we have seen increases in gas use, electricity use, and reimbursed employee mileage.

*The figures are skewed due to COVID-related restrictions.

Our Operational Emissions.

Operational Carbon Emissions Breakdown



The largest source of our non-outsourced manufacturing emissions was Upstream Transportation and Distribution, contributing 977.1 tCO_2e. This category includes emissions from freight services paid for by the PKF group, such as international sea freight and courier services like DHL. Woodland provided us with high-quality emission data for our sea freight calculations, and DHL emissions were estimated using journey information.

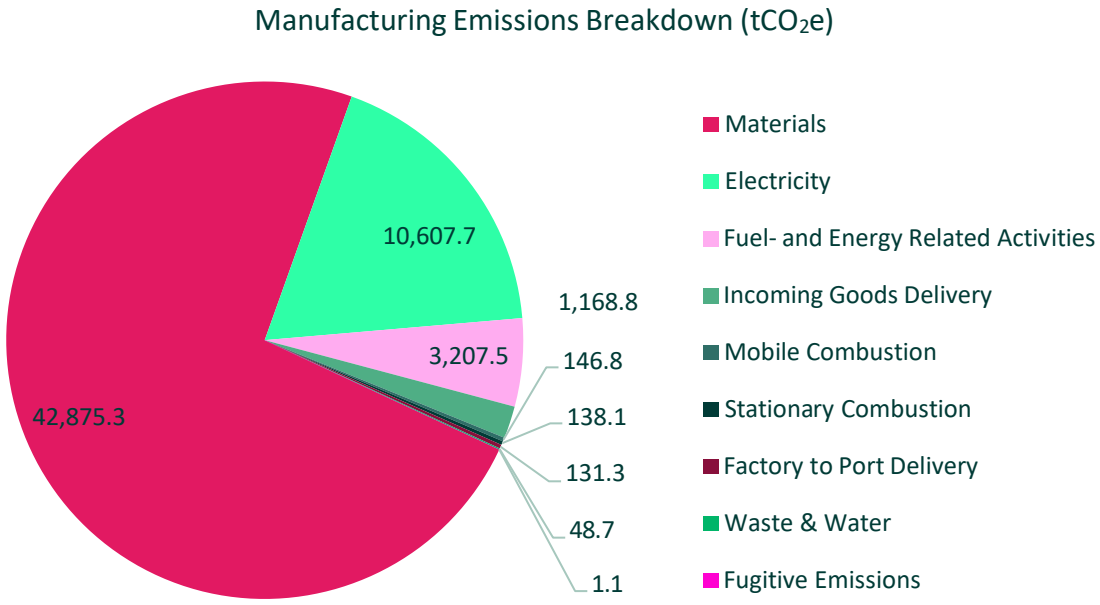
Business Travel followed as the second-largest contributor at 502.1 tCO_2e, capturing emissions from flights, rail, and accommodation for work-related travel. Flights were the largest contributor of emissions within the Business Travel category, representing 98% of emissions. Goods & Services accounted for 208.3 tCO_2e, covering overhead purchases such as consultancy, training, subscriptions, and other non-project-related services. Emissions here generally correlate with spending, with the largest categories (by spend) being Banking and Financial Services, Office and Business Support Services and Sundry Expenses.

Fuel- and Energy-Related Activities contributed 72.1 tCO_2e; this category includes upstream emissions associated with energy use*.Other sources include Capital Expenditure at 30.9 tCO_2e, which includes the production emissions of capital purchased (vehicles, furniture, property renovations); Commuting at 23.7 tCO_2e, reflecting employee travel and remote working; and Mobile Combustion at 13.1 tCO_2e, from fuel use in owned or leased vehicles. Smaller contributions came from Stationary Combustion (4.2 tCO_2e), related to on-site gas use for heating; Waste Generated in Operations (2.3 tCO_2e), covering waste disposal and water use; and Electricity (Market-based) (1.5 tCO_2e), based on supplier-specific emission factors for purchased electricity.

**Fuel- and Energy-Related Activities emissions are those that occur upstream of energy use. In the other energy use categories, e.g. business travel, we are accounting for the generation of electricity used or the combustion of fuels used. But these calculations do not consider the other emissions that occur, e.g. the generation emissions of electricity lost in the transmission and distribution system or the well-to-tank (extraction, processing and transportation) emissions of fuels. To ensure we are measuring our full impacts, we have included these emissions for all scope 1, scope 2 (mandatory) and upstream scope 3 (optional) energy use activities.*

Our Manufacturing Emissions.

To measure our outsourced manufacturing emissions, we collected activity data directly from our manufacturers and measured the emissions as part of our carbon footprint assessment. This data has been reported separately for outsourced emissions, as all material purchases are external of PKF's control.



Total outsourced manufacturing emissions were measured to be 58,325.4 tCO_2e. The largest contributor to emissions was Materials, accounting for 42,875.3 tCO_2e. Electricity followed as the second-largest source at 10,607.7 tCO_2e, representing emissions from the consumption of purchased electricity across the factories. Fuel- and Energy-Related Activities contributed 3,207.5 tCO_2e, and emissions associated with Incoming Goods Delivery amounted to 1,168.8 tCO_2e.

Other contributors included Mobile Combustion (146.8 tCO_2e) from fuel use in vehicles and equipment, and Stationary Combustion (138.1 tCO_2e) from on-site fuel use, such as for heating or industrial processes. Factory to Port Delivery accounted for 131.3 tCO_2e, covering the outbound logistics from manufacturing sites to shipping points.

Smaller sources included Waste & Water (48.7 tCO_2e), which reflects emissions from waste treatment and water use, and Fugitive Emissions (1.1 tCO_2e), representing unintended releases such as refrigerants or other process-related leaks.

For the first 3 reporting periods, we measured emissions from scope 1, scope 2, as well as scope 3 emissions from waste disposal and outgoing goods transportation. In our most recent period, we measured these emissions plus emissions associated with materials, incoming goods delivery and water use. As this is the first year that data from these sources has been collected, the following results should be interpreted with the following limitations in mind:

- Material Uncertainty: In some cases, appropriate emissions factors could not be assigned due to a lack of detail, e.g. 'Timber' or 'Average Metals'.
- Unusable Units: Some materials were reported in units such as m^2, which cannot be accurately converted to usable units (e.g., kg or m^3) without additional details like thickness; this had to be estimated based on a very broad assumption.
- Conversion Inaccuracy: Several materials required conversion from alternative units (e.g., litres of paint to kg, dimensions of plastic to weight). These conversions introduce uncertainty due to natural variation (e.g., density differences between paints).
- Spend-based data: Some materials were reported only as financial spend, rather than physical quantities, limiting accuracy in emissions calculations. UK spend-based emission factors had to be used despite these procurements occurring in Asia.
- Delivery Distance Estimates: Transport emissions were estimated using only the reported city and country of origin, resulting in approximate and potentially imprecise distance calculations.

Our Operational Targets.

PKF Group is committed to Reduce 25% Carbon Emissions by 2030

What does Net Zero mean in practice?

To achieve Net Zero, we will be aiming to reduce emissions in line with the latest science-based targets (SBTs). SBTs are greenhouse gas reduction goals set by organisations; they are defined as "science-based" when they align with the scale of reductions required to limit global temperature increases to 1.5°C compared to pre-industrial temperatures. To achieve Net Zero under this scenario, we will need to reduce our absolute emissions by 90% from our baseline year.

Our long-term (Net Zero) targets:

- Reduce our scope 1 emissions by at least 90% by 2050.
- Reduce our location-based scope 2 emissions by at least 90% by 2050.
- Reduce our scope 3 emissions by at least 90% by 2050.
- Neutralise any residual emissions using verified carbon offsets.

SBTi recommends that organisations commit to near-term targets (that cover a minimum of 5 years/maximum of 10 years from the baseline year), as well as long-term targets.

Our near-term targets*:

- Reduce scope 1 emissions by 42% by 2030.
- Reduce market-based scope 2 emissions by 100% by 2030.
- Reduce location-based scope 2 emissions by 42% by 2030.
- Reduce scope 3 emissions by 42% by 2030.

***These targets have been set using the SBTi Near-term target setting tool. They exceed our previous target of a 25% reduction by 2030.**

To achieve these targets, we will be aiming to reduce scope 1 emissions, location-based scope 2 and scope 3 emissions by 7% each year. This is a scope 1 reduction of 1.2 tCO_2e each year, a location-based scope 2 reduction of 0.5 tCO_2e each year and a scope 3 reduction of 127.2 tCO_2e each year. For our market-based target, we will be aiming to switch to a 100% renewable energy tariff for our office and only charge our cars using renewable energy by 2030 (not shown on the graph below).

Our Manufacturing Targets.

We are committed to reducing manufacturing-related Scope 1 and 2 emissions by 25% by 2030, while continuously implementing ongoing improvements in manufacturing data quality and coverage.

Progress to date (2021–2024)

- Direct comparison of total manufacturing emissions over time is not currently possible, as the measurement methodology used in 2024 differs from previous years and includes a broader supplier and factory boundary.
- However, trend analysis is possible for factories that have been consistently included across all years. Results are presented on a normalised basis, accounting for changes in production levels.

Key performance insights

- Most factories have reduced emissions on a normalised basis since 2021.
- We only have one factory site with higher absolute emissions, but this is driven by significantly higher production volumes. When normalised, emissions have decreased by 10%.
- After normalisation, the total of the 15 factories shows a decrease trajectory in emissions.
- The Group's implied reduction pathway is approx. 2.8% per year, equivalent to an 8.3% reduction by 2024 using a 2021 reference point.

Moving forward

- As data quality continues to improve, we will:
- Maintain normalised performance tracking to ensure growth-adjusted accountability
- Use site-level insights to prioritise targeted efficiency and energy interventions

Overall, current trends indicate that the manufacturing footprint is broadly aligned with the 2030 reduction trajectory, subject to continued data consolidation and site-specific action.

Our Carbon Reduction Plans.

Completed Carbon Reduction Initiatives

The following emissions management measures and projects have been completed or implemented.

Activity	Completion Date	Scope
Measure the carbon impacts of business activities year-on-year and use results to create annual Carbon Reduction Plans.	2021	1, 2 & 3
Begin to measure emissions associated with products used in manufacturing, as well as the scope 1 and 2 emissions of factories.	2025	3
Commit to SBTi-aligned near-term and long-term carbon reduction targets.	2025	1, 2 & 3
Become certified as a Positive Planet Certified (Bronze) organisation.	2025	1, 2 & 3
As of 2025, PKF Group has 4 plug-in hybrid vehicles and 1 fully electric vehicle in our fleet.	2025	1
Provision of high-quality sea freight data from logistics partner, Woodland Group.	2025	3

Carbon Reduction Priorities

We are committing to action on the following emissions management measures and projects that are in line with our Net Zero targets.

Activity No.	Activity	Target Date	Category
Scope 1 & 2			
1	We will do an audit of our head office (using an external auditor or a tool such as Business Energy Scotland's energy audit checklist) to identify any improvements that can be made to the building or its fixtures (e.g. lighting, light switches) that will reduce gas and electricity consumption. Following this, we will create a basic decarbonisation plan for the office, which will include actions and target dates.	Shared with Positive Planet alongside data for 2025 measurement	Stationary Combustion, Location and Market-based Electricity
2	We will enquire about switching to a 100% renewable energy tariff for our head office.	December 2025	Market-based Electricity
3	We will continue to switch our fleet vehicles to hybrid or electric alternatives. We still have 3 owned and 5 leased petrol cars, but we will ideally switch all of these by 2030.	Anytime a new office is being considered	Mobile Combustion, Location and Market-based Electricity
Scope 3			
4	Make improvements to our Manufacturer Template prior to the next reporting period to increase the accuracy and, therefore, usefulness of these results. This will include expanding the drop-down options for purchases, specifying a more appropriate unit of measurement for purchases and asking for distance rather than just the supplier city for incoming goods transportation.	Complete before the next measurement begins	Purchased Goods & Services

5	Discuss carbon reduction opportunities with manufacturers and integrate sustainability into specifications.		Purchased Goods & Services
6	A significant portion of our emissions is a result of flights. To reduce these emissions, we will need to minimise flights as far as possible, and where we are not already, opt for economy class flights and direct flights (as these have significantly lower emissions than business class flights/flights with layovers).		Business Travel
7	We will look into schemes and incentives that are available and begin to introduce sustainable staff benefits that will support staff to lower their emissions. This could include EV salary sacrifice, home renewable project salary sacrifice, cycle-to-work, preferential mileage reimbursement rates, subsidised public transport tickets, etc. We will need to research options and decide what will work best for PKF and its employees.		Business Travel, Commuting
8	We will share information regarding home renewable energy tariffs (and how to check your tariff) with employees and consider ways in which we can encourage employees to switch (e.g. financial incentives). This year, we found that of the 19 respondents to the commuting survey, 4 employees were not on a renewable energy tariff, and the remaining 15 were unsure. This will have an impact on company car emissions when charged at an employee's home and on homeworking emissions.		Electricity, Commuting
9	We will review all company policies and ensure that they align with our carbon reduction goals.		All scopes and categories
10	We will look to provide sustainability training (e.g. Carbon Literacy Training, Couch to Carbon Zero, or other) to our employees.	Ongoing	All scopes and categories
11	We will assign clear responsibility for each action within the plan to named individuals or teams. Progress will be reviewed at least quarterly at the senior leadership team level.	Ongoing	All scopes and categories

As well as the previous, we also commit to the following: should we be looking to open any new sites/hire any more employees:

- We will begin to assess the sustainability of any potential new sites. We will use a tool such as Overbury's How to Choose a Low-Carbon Office Building Checklist and agree upon minimum requirements.
- We will begin to include a short statement on PKF's sustainability commitments, as well as relevant sustainability-related roles and responsibilities in all job descriptions going forward. We will also ensure that either some sustainability-related training (or other activity) is included in our onboarding process for all employees.

Our carbon reduction plan will be reviewed and updated annually. Additional and follow-up actions will be added as we progress.

Declaration and Sign-off

This Carbon Reduction Plan has been completed in accordance with PPN 006 and the associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard[1] and uses the appropriate government emission conversion factors for greenhouse gas company reporting[2].

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements (where required), and the required subset of Scope 3 emissions has been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard[3].

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of PKF Group:

Name: Sujanto Ferdi

Position: CEO

Name: Pranav Patel

Position: Managing Director

Date: 20 January 2026

[1] https://ghgprotocol.org/corporate-standard
[2] www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[3] https://ghgprotocol.org/standards/scope-3-standard