



Cabinet Office

CARBON REDUCTION PLAN

M&CSAATCHI

Supplier name: M&C Saatchi (UK) Ltd
Publication date: 14/12/2022

COMMITMENT TO ACHIEVING NET ZERO

M&C Saatchi (UK) Ltd is committed to achieving Net Zero emissions by 2050.

In addition we have developed our near-term target and interim goals for our global footprint and formally submitted them to the SBTi for approval. These targets are in the process of being formally validated according to the SBTi criteria V5.0 and will be confirmed as part of the SBTi approval process. In 2023 we will submit our long-term net-zero target to the SBTi for approval.

BASELINE EMISSIONS FOOTPRINT

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

Baseline year: 2019

Additional Details relating to the Baseline Emissions calculations.

M&C Saatchi (UK) Ltd is part of M&C Saatchi Group, a global group of companies headquartered in London. All of our UK companies operate from our UK facilities, managed by a central facilities management team. Some M&C Saatchi Group companies are not wholly owned by M&C Saatchi Group.

We have therefore reported UK Group 'shared emissions' according to the 'Equity Share' approach, applying an equity share percentage to overall UK Group emissions.

We have chosen 2019, the last pre-COVID year for our baseline. As with many suppliers, we do not anticipate our 2021 data to be an accurate guide to our emissions going forward.

Baseline year emissions:

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	<p>In 2019 our London Group-wide Scope 1 emissions were 120.27 tCO₂e.</p> <p>Applying the Equity Share approach, we have applied 12.027 tCO₂e of these emissions to M&C Saatchi (UK) Ltd.</p>
Scope 2	<p>In 2019 we purchased REGOs for our electricity supply for all our London Group offices which means our market-based emissions were 0 tCO₂e</p> <p>(In 2019 our location-based emissions for our London Group offices were 365.92 tCO₂e. Applying the Equity Share approach, we have applied 36.592 tCO₂e of these emissions to M&C Saatchi (UK) Ltd).</p>
Scope 3 (including sources)	<p>4. Upstream transportation and Distribution</p> <p>We are a services provider and therefore do not have upstream transportation and distribution related to products</p> <p>5. Waste generated in operations</p> <p>Emissions related to waste generated in operations are managed centrally for all our UK companies. Our UK companies combined produced 82,515kg of waste in 2019. We do not have disposal data for this waste and so have used the 2019 commercial and industrial waste landfill emissions factor of 99.759 kgCO₂e per tonne of waste to report emissions as 8.231614 tCO₂e.</p> <p>Applying the Equity Share approach, we have applied 0.823 tCO₂e of these emissions to M&C Saatchi (UK) Ltd.</p> <p>6. Business travel</p> <p>Air travel: We do not yet have business and route disaggregated data for air travel for 2019 and so, unlike for 2021 (see below) we are only able to report an estimated figure for individual businesses within our UK Group of businesses, which includes both domestic and international flights. The majority of our flight emissions come from international flights. We hope to have more accurate data on our 2019 air travel emissions in time for new year's carbon reduction plan.</p> <p>In addition the data we use to calculate business travel comes from our central booking system. While most journeys are booked through our central system, we are aware that a small proportion of journeys are booked through expenses. This data is not included here, but we hope to improve data accuracy in the future.</p>

**Scope 3
(including sources)**

Our UK Group air travel emissions for 2019 were 3,055 tCO₂e.

Applying the Equity Share approach, we have applied 305.5 tCO₂e of these emissions to M&C Saatchi (UK) Ltd.

Other business travel: Business travel emissions from Vehicles from all our UK companies amounted to 10 tCO₂e.

Applying the Equity Share approach, we have applied 1.0 tCO₂e of these emissions to M&C Saatchi (UK) Ltd.

Business travel emissions for Rail Travel from all our UK companies amounted to 16 tCO₂e.

Applying the Equity Share approach, we have applied 1.6 tCO₂e of these emissions to M&C Saatchi (UK) Ltd.

7. Employee commuting

In order to calculate our employee commuting figure we analysed the postcodes of all our employees. Our operations are in Central London. We have therefore assumed that all employees commute via London Underground (all employees living within 10 miles of the office) or National Rail (all employees living over 10 miles from the office), and have applied the appropriate 2019 emissions factors to the employee postcodes, multiplied by an assumption of 226 working days per year. We have not made any adjustments for remote working or sickness.

Using the above methodology, employee commuting emissions for M&C Saatchi (UK) Ltd were 26.3754 tCO₂e

We do not currently collect commuting information related to freelancers. We are hoping to improve data collection in this area in the future.

9. Downstream transportation and distribution

We are a services provider and therefore do not have downstream transportation and distribution related to products.

Our total Scope 3 emissions in 2019 from categories required by the Cabinet Office for this report were: 333.8584 tCO₂e

Total Emissions

345.8854 tCO₂e

(Our total emissions were calculated using market-based emissions for Scope 2 and using both domestic and internal flights for air travel emissions. International flights make up the majority of our business travel emissions)

(Our total location-based emissions for 2019 were 382.4774 tCO₂e)

Current Emissions Report	
Reporting year: 2021	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	<p>In 2021 our London Group-wide Scope 1 emissions were 77.7 tCO₂e. Applying the Equity Share approach, we have applied 7.77 tCO₂e of these emissions to M&C Saatchi (UK) Ltd.</p>
Scope 2	<p>In 2021 we purchased REGOs for our electricity supply for all our London Group offices which means our market-based emissions were 0 tCO₂e</p> <p>(In 2021 our location-based emissions for our London Group offices were 204 tCO₂e. Applying the Equity Share approach, we have applied 20.4 tCO₂e of these emissions to M&C Saatchi (UK) Ltd.)</p>
Scope 3 (including sources)	<p>4. Upstream transportation and Distribution</p> <p>We are a services provider and therefore do not have upstream transportation and distribution related to products.</p> <p>5. Waste generated in operations</p> <p>Emissions related to waste generated in operations are managed centrally for all our UK companies. In 2021 our UK companies combined generated the following amount of waste. This waste was generated at our 36 Golden Square offices due to the temporary closure of our other offices in re-sponse to COVID-19.</p> <p>Headline:</p> <ul style="list-style-type: none"> The recycling rate was reported by our waste management supplier to be 98% at 36 Golden Square as compared to 99% in 2020, this is due to a single uplift in April that went to waste-to-energy. The following waste was generated at 36 Golden Square in 2021: <ul style="list-style-type: none"> - Recycling: 7,925kg as compared to 13,815kg in 2020 - Food Recycling: 1,375kg as compared to 1,000kg in 2020 - Waste-to-Energy: 200kg as compared to 200kg in 2020 <p>Total = 9,500kg as compared to 15,015kg in 2020 and 82,515kg in 2019, giving a total reduction of 37% from 2020</p> <p>There were no collections from January to March in 2021 due to the COVID-19 Lockdown, in the following 6 months there were only 3 uplifts. From October to December this picked up, likely as a result of the offices opening up to more people.</p>

Scope 3
(including sources)

Using DEFRA conversion factors, emissions from waste for the entire London Group's operations are:

Recycling = 168.755 kgCO₂e

Food Recycling = 12.308 kgCO₂e

Waste to Energy = 4.259 kgCO₂e

Total = 0.185322 tCO₂e

Applying the Equity Share approach, we have applied 0.0185322 tCO₂e of these emissions to M&C Saatchi (UK) Ltd.

6. Business travel

Air Travel: As per the guidelines for this report, we have calculated flight emissions for UK internal flights only. There were no UK internal flights at M&C Saatchi (UK) Ltd in 2021.

The data we use to calculate business travel comes from our central booking system. While most journeys are booked through our central system, we are aware that a small proportion of journeys are booked through expenses. This data is not included here, but we hope to improve data accuracy in the future.

Other Business Travel:

Vehicles: Business travel emissions from Vehicles from all our UK companies amounted to 6 tCO₂e.

Applying the Equity Share approach, we have applied 0.6 tCO₂e of these emissions to M&C Saatchi (UK) Ltd.

Rail: Business travel emissions for Rail Travel from all our UK companies amounted to 1 tCO₂e.

Applying the Equity Share approach, we have applied 0.1 tCO₂e of these emissions to M&C Saatchi (UK) Ltd.

7. Employee commuting

In order to calculate our employee commuting figure we analysed the postcodes of all our employees. Our operations are in Central London. We have therefore assumed that all employees commute via London Underground (all employees living within 10 miles of the office) or National Rail (all employees living over 10 miles from the office), and have applied the appropriate 2019 emissions factors to the employee postcodes, multiplied by an assumption of 226 working days per year. We have then applied an estimate that our people travelled into the office for 20% of their working time during 2021.

Using the above methodology, employee commuting emissions for M&C Saatchi (UK) Ltd were 13.3508 tCO₂e

We do not currently collect commuting information related to freelancers. We are hoping to improve data collection in this area in the future.

<p>Scope 3 (including sources)</p>	<p>9. Downstream transportation and distribution</p> <p>We do not produce physical products and so are not reporting downstream transportation and distribution.</p> <p>Our total Scope 3 emissions in 2021 from categories required by the Cabinet Office for this report were: 14.0693322 tCO₂e</p>
<p>Total Emissions</p>	<p>21.839 tCO₂e</p> <p>(Our total emissions were calculated using market-based emissions for Scope 2. As per Cabinet Office guidelines, flight emissions were reported for UK domestic flights only and there was no reporting of some significant Scope 3 emissions categories such as Purchased Goods & Services.</p> <p>Our total location-based emissions for 2021 were 41,879 tCO₂e)</p>

EMISSIONS AND REDUCTIONS TARGET

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

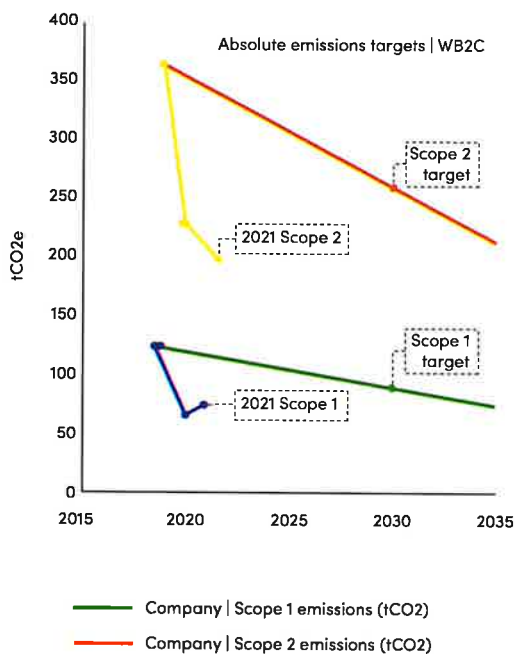
As a global business we have committed to reducing our Scope 1, 2 and 3 emissions by 50% by 2030 against our 2019 baseline. In addition we are currently setting a near-term Science-based Target with the SBTi. Once this is validated we will progress towards setting our long term target with the SBTi, which we hope to complete in 2023.

We are currently undergoing the SBTi validation process. Based on the information we have at this time, and according to the Scopes required by the Cabinet Office, we have set a notional 2030 emissions reduction target for M&C Saatchi (UK) Ltd emissions that matches our overall 50% reduction target. This 2030 emissions reduction target is: 172.4927 tCO₂e

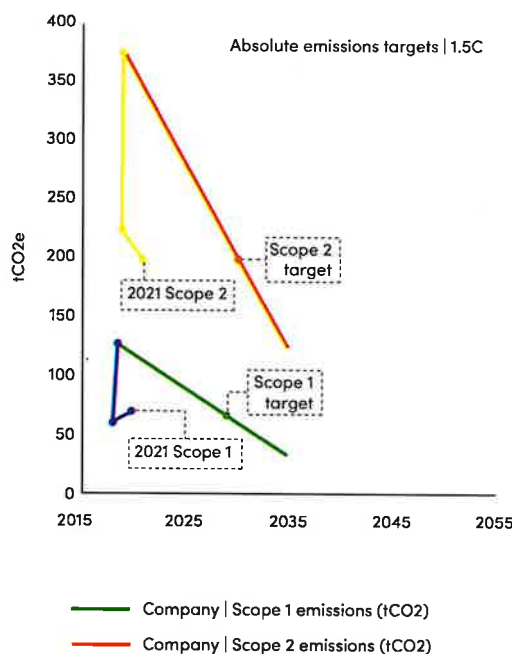
Current emissions are already below this target, however 2021 emissions were heavily affected by the COVID-19 pandemic, and we expect 2022 emissions to be higher. In addition, targets in next year's Carbon Reduction Plan will be updated to reflect our validated SBTi goals.

Progress against the Scope 1 and 2 models, including our 1.5°C ambitions for the M&C Saatchi London Group can be seen in the graph below:

Graph 5 (well below 2 deg C warming target)



Graph 6 (warming limited to 1.5 deg C)



Please note that 2020 and 2021 were anomalous years due to the impacts of the COVID-19 pandemic and are not necessarily an accurate indication of future performance.

We are currently working on our Scope 3 targets with the Science-Based Targets initiative (SBTi) and hope to report more fully against these in future years.

CARBON REDUCTION PROJECTS

Completed Carbon Reduction Initiatives

The following environmental management measures and projects for the shared offices of the entire M&C Saatchi UK Group have been completed or implemented since the 2019 baseline. The carbon emissions reduction achieved equates to 323,146 tCO₂e. However, two major items have affected these emissions reductions - the effects of the COVID-19 pandemic and better flight data quality in 2021, which means we were able to isolate flight emissions from domestic flights (whereas our 2019 flight data included international flights as well). Within these emissions reductions there was an 18.1% reduction (4,257 tCO₂e) against the 2019 Scope 1 & 2 baseline and these measures will be in effect when performing the contract.

In order to reduce our Scope 3 emissions, to date we have:

- Implemented video conferencing to reduce travel requirements
- Trained our UK account handling, creative and production departments and partners in how to use AdGreen tool (a market leading carbon calculator designed to help advertising and communications professionals implement measures to reduce emissions in their work) & started applying it to UK productions

In order to reduce our Scope 1 & 2 emissions, to date we have:

- Undertaken refurbishments to HVAC and lighting at our 36 Golden Square offices
- Undertaken building management system optimisation initiatives
- We also purchase renewable energy for our offices through REGO electricity certificates
- We have also achieved ISO 14001 and ISO 22301 certifications

In the future we hope to implement further measures. These measures include:

- Setting and implementing our own Science-Based Target with the SBTi (near term target currently in validation process, long term target setting expected in 2023).
- Implementing energy efficiency measures in our offices and behaviour change campaigns.
- Encouraging our suppliers to set science-based targets (including using the SME pathway, if applicable), and disclose our share of their cradle-to-gate emissions data. Gathering primary data from our key suppliers to update our inventory will allow us to understand the real-world emissions of our suppliers, and understand their practices and support them to decarbonise. Namely, advertising productions (filming & editing advertisements and the travel required to achieve this) have been identified as a hot spot and we are working with our suppliers via the AdGreen initiative to measure this at the production level.
- We are also reviewing the best carbon calculators to apply to other disciplines.
- We will continue to ensure our UK account handling, creative and production departments and partners are trained in how to use AdGreen tool (a market leading carbon calculator) & are applying it to UK productions.
- We will also implement a global travel policy, that will – in addition to increasing our uptake of videoconferencing – reduce our business travel emissions, with air travel as a last resort.
- We are developing an offsetting strategy that will act as an 'internal price on carbon' – an internal engagement tool to reduce all our Scope 1, 2 and 3 emissions.
- We are rolling out the Action Production Guidelines to the rest of our UK Group by the end of 2022 to help teams make low carbon choices when designing productions.
- We plan to engage our people to more accurately assess working from home emissions and encourage people to switch to a renewable energy provider at home.

DECLARATION AND SIGN OFF

This Carbon Reduction Plan has been completed in accordance with PPN 06/21¹ and 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 and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³.

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

Signed on behalf of the supplier:

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Date: 14/12/22

¹ <https://ghgprotocol.org/corporate-standard>

² <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

³ <https://ghgprotocol.org/standards/scope-3-standard>