



Cabinet Office

CARBON REDUCTION PLAN

M&CSAATCHI

Supplier name: M&C Saatchi (UK) Ltd
Publication date: 18/09/2023

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, which we have validated by the SBTi according to the SBTi criteria V5.0. In 2023 we aim to 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, the COVID years were not necessarily an accurate guide to our emissions going forward.

Baseline year emissions: 2019

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>

4. Upstream transportation and Distribution

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

5. Waste generated in operations

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.

Applying the Equity Share approach, we have applied 0.823 tCO₂e of these emissions to M&C Saatchi (UK) Ltd.

Scope 3
(including sources)

6. Business travel

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.

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.

**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 tCO ₂ e)
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Current Emissions Report	
Reporting year: 2022	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	<p>In 2022 our London Group-wide Scope 1 emissions were 78.0 tCO₂e.</p> <p>Applying the Equity Share approach, we have applied 7.80 tCO₂e of these emissions to M&C Saatchi (UK) Ltd.</p>
Scope 2	<p>In 2022 we purchased REGOs for most of our electricity supply for our London Group offices (this was not possible for all offices due to a temporary relocation. Our market-based emissions for the London Group were 17.3 tCO₂e, with M&C Saatchi (UK) Ltd accounting for 1.73 tCO₂e, using the Equity Share approach.</p> <p>(In 2022 our location-based emissions for our London Group offices were 211.8 tCO₂e. The Equity Share approach applies 21.18 tCO₂e of 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. The generation of waste has significantly increased due to the increase in office working after the Covid pandemic and the increased use of disposables, including free staff lunches that were provided in single-use packaging. M&C Saatchi is verified zero waste to landfill and continues to recycle waste over 5 streams. All general waste is sent to the Belvedere Incinerator, where it is processed to produce energy. We operate a food waste stream for our staff café (the Eatrium) and kitchen waste, which diverts food waste, including coffee grounds, from general waste to anaerobic digestion.</p> <p>Headlines:</p> <ul style="list-style-type: none"> • Recycling rate 96% at Golden Square, compared to 98% in 2021 • Recycling: 22,390kg, compared to 7,925kg in 2021 • Food Recycling: 2,500 kg, compared to 1,375kg in 2021 • Waste-to-Energy: 1000kg, compared to 200kg in 2021 <p>We are unable to report waste figures from temporary satellite offices.</p> <p>Total = 24,890kg as compared to 9,500kg in 2021 and 15,015kg in 2020</p>

**Scope 3
(including sources)**

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

Recycling = 476.46 kgCO₂e

Food Recycling = 22.28 kgCO₂e

Waste to Energy = 21.28 kgCO₂e

Total = 0.520 tCO₂e

Applying the Equity Share approach, we have applied 0.052 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. Emissions for UK internal flights at M&C Saatchi (UK) Ltd in 2022 were 0.085 tCO₂e.

The data we use to calculate business travel comes primarily 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. We have a high degree of confidence that these journeys are included in our data.

Other Business Travel:

Vehicles: Business travel emissions from Vehicles from all our UK companies amounted to 5.02 tCO₂e.

Applying the Equity Share approach, we have applied 0.502 tCO₂e of these emissions to M&C Saatchi (UK) Ltd.

Rail: Business travel emissions for Rail Travel from all our UK companies amounted to 1.73 tCO₂e.

Applying the Equity Share approach, we have applied 0.173 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 2022 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 40% of their working time during 2022, as office presence bounced back from COVID.

Using the above methodology, employee commuting emissions for M&C Saatchi (UK) Ltd were 26.453 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 2022 from categories required by the Cabinet Office for this report were: 27.265 tCO₂e</p>
<p>Total Emissions</p>	<p>36.795 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. Our total location-based emissions for 2022 were 56.245 tCO₂e)</p>

EMISSIONS AND REDUCTIONS TARGET

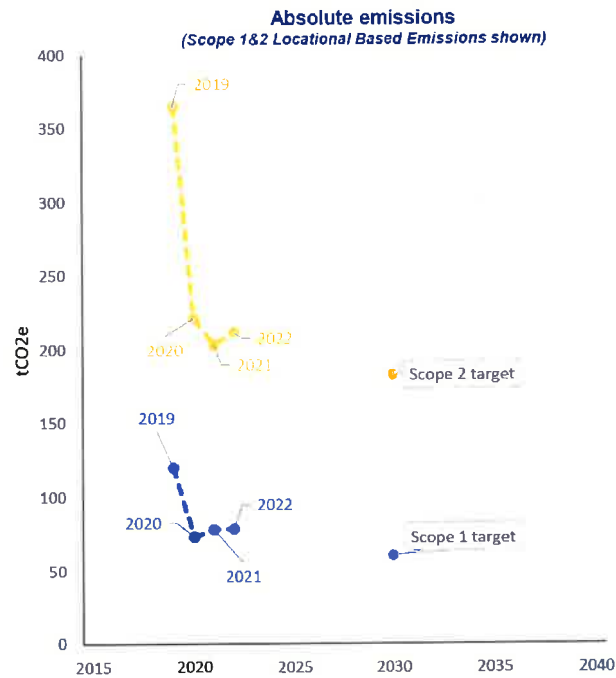
In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

As a global business we have committed to reducing our Scope 1, 2 and 3 emissions by 50% by 2030 against our 2019 baseline and have a near-term science-based target verified by the SBTi. We are working towards setting our long term net zero target with the SBTi, which we aim to submit 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's emissions that matches our overall 50% reduction target. This 2030 emissions reduction target is: 172.4927 tCO₂e.

Although 2022 emissions are higher than our emissions in 2021, due to the bounce back from the COVID-19 pandemic, our emissions remain below this target. Targets in next year's Carbon Reduction Plan will be updated to reflect our net zero goals which we aim to have validated by the SBTi.

Progress against the Scope 1 and 2 targets for 2030 for the M&C Saatchi London Group can be seen in the graph below:



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.

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 309.0904 tCO₂e. However, two major items have affected these emissions reductions - the effects of the COVID-19 pandemic and better flight data quality in 2022, 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 20.8% reduction (2.497 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 long term Science-Based Target with the SBTi (our near term target was validated in December 2022).
- 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, as well as introducing an ESG Data Management Tool.
- We continue to review the best carbon calculators to apply to other disciplines, particularly digital media buying, the measurement of which is currently in its infancy.
- 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 are rolling out our 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 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

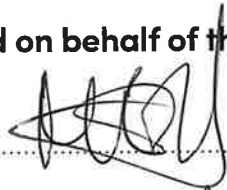
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

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:



Date:

14/09/2023

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>