Net Zero Progress Report

1. Target Description

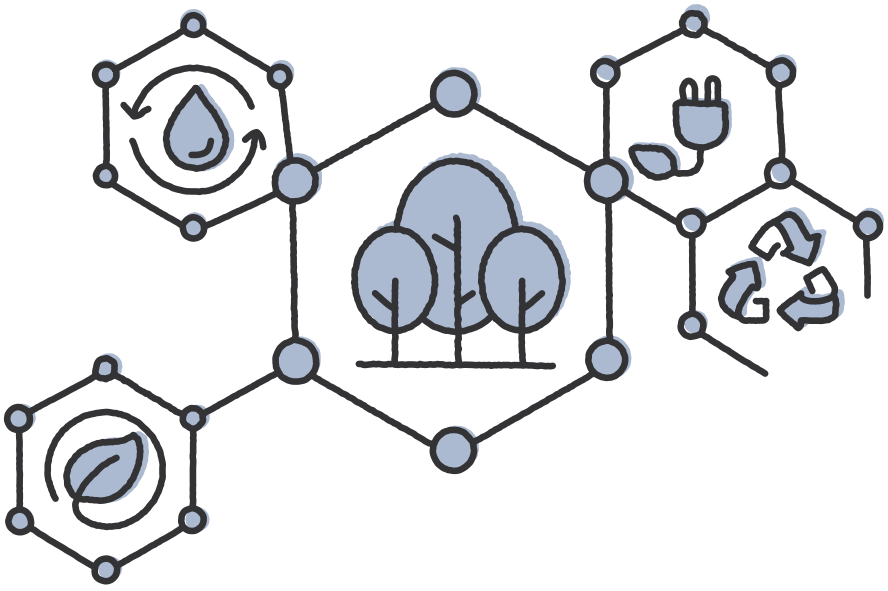
Signal is a Small-Medium sized business and therefore has been approved through the streamlined validation approach. As a result, our **short targets** are:

To reduce our scope 1 and 2 emissions by **42% by 2030** compared with a 2020 base year

To **measure and reduce our scope 3 emissions** by 2030

To reduce our scope 1, 2 and 3 emissions by **90% by 2035** compared to our 2020 base year

Signal's Net Zero and Science Based Targets (SBTs) were approved by the SBTI on 28/6/2022, therefore this progress report covers the calendar year in which Signal received approval.



2. Target Progress

Scope	Category	Carbon Footprint (tCO2e) 2020	2021	2022	% change
1	Office - Natural Gas	-	-	-	0%
2	Office - electricity	23	8	-	-100%
3	Leased assets - office - communal energy	43	25	13	-70%
3	Business Travel	4	2	6	35%
3	Staff Commuting	19	7	3	-87%
3	Waste	1	0	0	-89%
3	Upstream energy	5	3	-	-100%
3	Purchased Goods and Services	2,027	2,025	1,941	-4%
	Total	**2,122.2**	**2,070.0**	**1,961.9**	**-8%**

Table 1 GHG inventory from 2020 base year to 2022

Table 1 shows that Signal has achieved its short-term scope 1 and 2 target. The scope 3 quantification target is mostly complete. There is one remaining category that needs to be included in the future, which covers end-of-life impacts for our printed communications. This is expected to be included in our 2023 Net Zero update report. Purchased Goods and Services also includes Capital Goods. Signal as a marketing agency is not a significant consumer of Capital Goods.

Scope 2 emissions are reported under the market approach.

3. Substantial emission variations and changes in target

We have recalculated the Purchased Goods and Services category based on the Exiobase 3.8 update being released in 2021, which updated carbon factors dating back to 2011 with data based on 2019. The updating of Exiobase resulted in a significant increase in the footprint. For example, paper and paper products have increased by 33% and computer services by nearly 40%. In future years, the aim is to move from spend-based carbon footprinting to mass-based.

As a result of using the latest Exiobase database for 2022, there would have been a significant increase in the carbon footprint, even though less printing volume took place due to the inflationary environment. The overall impact across the PGS category is well beyond the 5% SBTI required significance threshold for re-baselining. Therefore, the base year was re-baselined along with 2021. This is consistent with a dataset that is based on 2019 global data.

4. Actions towards meeting SBTs

Target	Progress
To reduce our scope 1 and 2 emissions by 42% by 2030 compared with a 2020 base year	During 2020, Signal reviewed alternative office locations with environmental impact a key consideration covering electricity procurement, EPC rating, landlord data provision and ability to support sustainable travel. The new office, which was occupied in 2021 has a REGO backed electricity certificate supplying our sub-metered area. Signal does not have any company vehicles and is in a multi-tenanted building. Communal energy consumption is included in our scope 3 emissions.
To measure and reduce our scope 3 emissions by 2030	This was largely completed as part of the Net Zero application process, including the impact of sub-contracted print providers. During 2022, we planned and developed a Print supplier engagement survey to improve the accuracy of our PGS footprint. The survey and the engagement with the suppliers is to take place in 2023. We have developed job-specific calculator tools for our staff to engage our clients to reduce the environmental impact of their design choices. We reviewed 9 EV salary sacrifice scheme providers across a wide range of criteria to select a recommended provider for Board approval. Approval is expected in 2023.
To reduce our scope 1, 2 and 3 emissions by 90% by 2035 compared to our 2020 base year	The activities above describe our activities that contribute to our long-term targets.
Climate transition plan information and progress	**Governance:** The Board of Directors oversees Signal's decarbonisation strategy, which is linked with the company's strategic direction. The Board allocates resources, sets annual objectives and monitors progress against the objectives to ensure the company is on-track with its Net Zero targets and commitments. This is supported by our 3rd party certified Environmental Management System, in which our Net Zero targets comprise our most significant continuous improvement objectives. **Incentive structure:** ESG performance is not currently part of the incentive structure. **Incentive structure for decarbonisation:** Signal does not currently internally price carbon across the organisation, but the intention is to introduce a carbon price in our processes for 2023. **Just transition:** Signal has spent significant time and resource identifying a carbon offset scheme which supports populations in Africa to reduce their own carbon footprint while improving social and economic outcomes. The first round of purchases will take place in 2023. **Public Advocacy:** Signal held a supplier conference in 2022 to encourage its customer's to consider the sustainability of their print campaigns. This included information from the WWF along with a best-practice printer. Signal has not supported any policy that advocates for fossil fuel expansion.

Table 2 SBT targets and annual progress

In addition to the above, Signal is engaged with Beyond Value Chain mitigation activities relating to carbon offsets. Signal will detail and provide further details once the SBTi has defined the appropriate process for reporting Beyond Value Chain emissions.

5. Data Limitations and GHG assurance

Data Limitations

The main data limitation within the existing modelling relates to the uncertainty regarding both the direct impacts of our print supply chain and the upstream impacts of the suppliers regarding paper production. Data sheets collated using the CEPI 10 toes methodology highlight that paper production can have an extremely wide variation in carbon impact. As a result, the supplier survey planned for 2023 is expected to be the first step in moving from the EU market average impact from Exiobase to supplier-specific paper and printer impact.

The End-of-Life impacts of the printed materials Signal creates on behalf of clients are due to be included within the footprint as a result of reporting management information system changes in early 2024.

GHG Assurance

Signal has not had the carbon footprint externally verified.

Publication

Signal has published its progress against its Net Zero targets with the Carbon Disclosure Project (CDP), in addition to this publicly available report.