

# Carbon Reduction Plan

For Observatory  
International

Publish date: October 2025



# Our Commitment

Observatory International is committed to achieving Net Zero emissions by 2035, this goal will be reviewed pending a survey of our supply chain and their own Net Zero targets.

## 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, or achieve (and maintain) a carbon intensity metric of <1 tonne CO<sub>2e</sub> per employee, whichever comes soonest. To keep ourselves on track with these long-term targets, we have set the following near-term goals:

## Our near-term targets:

- Reduce our Scope 1 & 2 emissions to zero by 2030. *(achieved 2024 when became a remote first organisation)*
- Maintain Scope 1 & 2 emissions at zero up to and beyond 2030.
- Reduce our Scope 3 emissions by 42% from our baseline year by 2030. *(achieved 80% reduction in 2024)*

## Our long-term targets:

- Reduce our total market-based emissions (scope 1, 2 and 3) by at least 90%, or achieve <1 tCO<sub>2e</sub> per employee, by 2035.
- Neutralise any residual emissions using verified carbon offsets.

**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.

# Our Carbon Footprint

## 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. We have chosen to set our baseline year as January - December 2021.

Baseline Year: 2021	
<p>Our baseline emissions have been recalculated in line with improved methodologies around spend-based procurement estimation and the emissions inventory, which has been extended to include fuel &amp; energy related emissions for all upstream activities. During the 2024 measurement, emission factors were updated for all previous measurement owing to new data being available. This keeps measurements up-to-date and in line with best practice.</p> <p>Business Travel data for the base year was also updated during the 2024 measurement period. The subsequent 3 years of better data were used to back cast business travel activity to 2021, scaled to FTE. This allows for better comparison between base year data and subsequent years.</p>	
Emissions	Total (tonnes CO <sub>2</sub> e)
Scope 1	0.0
Scope 2*	<i>Market-based: 0.4</i> <i>Location-based: 0.4</i>
Scope 3 including: <ul style="list-style-type: none"> <li>- Purchased Goods &amp; Services</li> <li>- Capital Goods</li> <li>- Fuel &amp; Energy Related Services</li> <li>- Business Travel</li> <li>- Transportation &amp; Distribution (Upstream &amp; Downstream)</li> <li>- Employee Commuting &amp; Homeworking</li> <li>- Operational Waste &amp; Water</li> </ul>	43.2
<b>Total Emissions*</b>	<b><i>Market-based: 43.6</i></b> <b><i>Location-based: 43.6</i></b>

\*Purchased electricity can be measured in two ways. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). A market-based method therefore takes into account the purchase of electricity via a verified renewable energy tariff. We have chosen to base our Net Zero target on a market-based methodology.

## Carbon Intensity Metrics

Observatory International will work to minimise absolute emissions. However, intensity metrics can additionally be used as meaningful indicators of the organisation's progress towards increasing carbon efficiency.

Base Year: 2021	Carbon Intensity Metric
Employees (tCO <sub>2</sub> e per FTE)	5.5

# Current Emissions Reporting

Current Reporting Year: 2024	
Observatory International has been operating a remote first model since November 2023, therefore there are no Scope 1 or 2 emissions to report during the 2024 reporting period.	
Emissions	Total (tonnes CO <sub>2</sub> e)
Scope 1	0.0
Scope 2	<i>Market-based: 0.0</i> <i>Location-based: 0.0</i>
Scope 3 including: <ul style="list-style-type: none"> <li>- Purchased Goods &amp; Services</li> <li>- Capital Goods</li> <li>- Fuel &amp; Energy Related Services</li> <li>- Business Travel</li> <li>- Transportation &amp; Distribution (Upstream &amp; Downstream)</li> <li>- Employee Commuting &amp; Homeworking</li> <li>- Operational Waste &amp; Water</li> </ul>	8.4
<b>Total Emissions</b>	<b><i>Market-based: 8.4</i></b> <b><i>Location-based: 8.4</i></b>

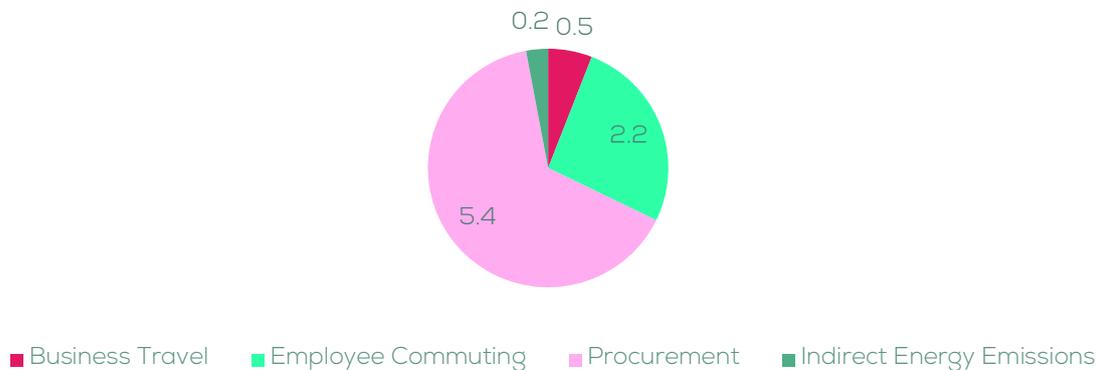
## Carbon Intensity Metrics

Current Year: 2024	Carbon Intensity Metric
Employees (tCO <sub>2</sub> e per FTE)	2.5

## Carbon Emissions Breakdown (January - December 2024)

By Scope	tonnes	% of total
Scope 1	0.0	0.0%
Scope 2 (Location-based)	0.0	-
Scope 2 (Market-based)	0.0	0.0%
Scope 3	8.4	100.0%
By Source		
Direct	0.0	0.0%
Upstream	8.4	100.0%
Downstream	0.0	0.0%
By Category		
Office Utilities	0.0	0.0%
Company Cars	0.0	0.0%
Business Travel	0.5	5.9%
Employee Commuting	2.2	26.3%
Procurement	5.4	64.8%
Distribution	0.0	0.0%
Waste	0.0	0.0%
Indirect Energy Emissions	0.2	2.9%
Total		
Location-based	8.4	-
Market-based	8.4	-

Emissions by Category (tCO<sub>2</sub>e)



# Carbon Reduction

## Our Net Zero targets

Observatory International is committed to achieving Net Zero by 2035. To achieve Net Zero under this scenario, we will need to reduce our absolute emissions by 90% from our baseline year, or achieve and maintain <1 tCO<sub>2</sub>e per employee, whichever comes sooner.

To keep us on track, we have also set the following near-term targets to 2030:

- Reduce our Scope 1 & 2 emissions to zero by 2030. *(achieved 2024 when became a remote first organisation)*
- Reduce our Scope 3 emissions by 42% from our baseline year by 2030. *(achieved 80% reduction in 2024)*

## Progress

Emissions	Total Carbon Footprint (tonnes CO <sub>2</sub> e)		% Change
	Baseline year: 2021	Current year: 2024	
Scope 1	0.0	0.0	-
Scope 2 <i>(Market-based)</i>	0.4	0.0	-100.0%
Scope 3	43.2	8.4	- 80.6%
<b>Total emissions</b>	<b>43.6</b>	<b>8.4</b>	<b>- 80.8%</b>

Emissions By	Carbon Intensity Metrics		% Change
	Base Year: 2021	Current Year: 2024	
Employees (tCO <sub>2</sub> e per FTE)	5.5	2.5	- 53.4%

Observatory International has achieved its near-term targets. Next steps will be to at least maintain current emission levels and pursue further reductions to reach Net Zero as soon as possible.

There has been a significant decrease in emissions since the base year, even after business travel was realigned and increased compared to before remeasurement. The decrease in Scope 1 and 2 emissions reflects a shift to a remote first organisation (rather than lack of available data, as there have been challenges with in previous years). Reduced costs associated with renting and maintaining physical premises have been a large contributor to the reduction in Scope 3 emissions (purchased goods and services). IT and digital expenditure has also been much lower in 2024 compared with the base year, further contributing to a reduction in overall purchased goods and service emissions by 84.1%.

Scope 3 emissions have also decreased because business travel emissions have reduced by 86% in 2024 compared with the base year. Emissions associated with commuting and homeworking have also decreased by 46%, again reflecting the shift to a remote first organisation. Employees were also surveyed about home renewable energy tariff; the presence of these reduced homeworking emissions by 4% compared to if all employees were on standard energy tariffs.

Moving forward, the emissions hotspots remaining are Purchased Goods & Services and Commuting and Homeworking. Observatory International will focus on improving data quality around procurement emissions by communicating with and surveying suppliers to collect direct emissions data, this will help us identify those within the supply chain who align with our Net Zero goals and highlight key areas to focus on in terms of improving sustainable practises. Observatory International will also explore how it can support lower carbon homeworking and commuting, as a hot desking space is still used by some employees.

## Completed Carbon Reduction Initiatives

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

Activity	Completion Date	Scope
<p>Commit to measuring carbon footprint of business activities year on year to gain an understanding of pinch points and regularly be making efficient and direct improvements to reduce these emissions.</p> <p>Appointed Positive Planet to support with calculating baseline carbon footprint and reduction recommendations.</p>	2021	1, 2, 3
<p>The workforce continues to be highly engaged and feels personally motivated to change behaviours or public travel, utilising public transport passes and realising cost benefits etc.</p>	2022	3
<p>Created a Green 'mindset' amongst the team collectively to deliver initiatives. This team has been made up of all members of the organisation to support the rollout of initiatives and management of data, this includes sharing and collaborating throughout the organisation.</p>	2022	1, 2, 3
<p>In November 2023 Observatory International transitioned to a remote first operating model, which has reduced Scope 1 and 2 emissions to zero and reduced ancillary emissions in Scope 3. As such, one of the near-term targets (to reduce our Scope 1 &amp; 2 emissions to zero by 2030) has now been achieved. A new target has been set to maintain Scope 1 &amp; 2 emissions at zero up to and beyond 2030.</p>	2024	1, 2, 3
<p>Expanded the scope of employee surveying to collect information around home working situations, namely understanding where employees procure renewable energy tariffs. We will continue to include these questions in future years to further explore opportunities for emissions reductions.</p>	2024	3
<p>Observatory International have a sustainability policy in place ensuring sustainability is embedded in business operations, including purchasing decisions, energy use and travel.</p>	2024	1,2,3

## Future Carbon Reduction Plans

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

Reduction Plans – Scope 1 & Scope 2			
No.	Activity	Target Date	Category
1	<p>In November 2023 Observatory International implemented a remote first working model. There are therefore no emissions from purchased gas or electric to account for in future emissions measurements and as such previously listed initiatives around landlord engagement and behavioural change are no longer relevant.</p> <p>Whilst Observatory International is a remote first organisation at the time of writing, this may change in the future and as such the below criteria will be considered when procuring potential future office spaces.</p> <p>Electricity:</p> <ul style="list-style-type: none"> <li>Does the landlord/management company procurement 100% renewable energy. Or, where utilities arranged independently, can Observatory International procure a 100% renewable tariff to supply the space?</li> <li>Is the building fitted with on-site renewable energy generation technologies to reduce costs and reliance on the National Grid?</li> <li>Is the building/managing agent ISO 14001 accredited or have similar credentials around environmental management?</li> </ul> <p>Heating</p> <ul style="list-style-type: none"> <li>Avoid buildings with gas heating as a priority.</li> <li>Opt for buildings fitted with alternative solutions such as heat pumps, electric space heaters or electric derived air conditioning systems.</li> </ul>	-	Stationary Combustion, Purchased Electricity

Based upon the above completed and planned initiatives, it is projected that Scope 1 & 2 carbon emissions will remain at 0 tCO<sub>2e</sub> by 2030 and beyond.

We also aim to implement the further initiatives below to reduce Scope 3 emissions:

Reduction Plans – Scope 3			
No.	Activity	Target Date	Category
1	Consider training and engagement for the Green Team, leadership, and the wider employee base. Including and not limited to, creating spaces for environmental positive conversations (internal comms, newsletters, slack, Teams etc), certified Carbon Literacy Training for all applicable to roll out to further workforce and share with externals where appropriate. On average, certified learners reduce their carbon footprints by 5-15%, of which ~50% are work-related. Businesses that engage with Carbon Literacy Training can also get certified as Carbon Literate Organisations which may bring commercial benefits.	2025	Commuting & Home Working, Business Travel
2	Build on the existing Sustainable Procurement Policy to further embed sustainability within the procurement process. The policy should aim to collect data from suppliers on an annual basis in an effective way in order to assess and prioritise the sustainability credentials of suppliers.  Existing and new suppliers will be engaged with to ensure alignment with sustainability goals and target of Net Zero by 2035. Possible mechanisms to do so could include: <ul style="list-style-type: none"> <li>- engaging suppliers by sharing this Carbon Reduction Plan and communicating net zero targets, and asking for suppliers' information in return;</li> <li>- introducing/increasing sustainability weighting in tender processes;</li> <li>- increasing supplier reporting requirements including provision of supplier-specific data;</li> </ul>	2025	Purchased Goods & Services
3	Commit to a supplier survey to request further information regarding emissions and general sustainability credentials; this will inform future measurements and allow the transition away from spend-based emissions estimations.  Initially plan to survey the top 5/10 suppliers by spend to request further information regarding emissions	2025 & onward	Purchased Goods & Services

	<p>reporting, net zero targets and sustainability ambitions. This data collection will support the reduction journey by:</p> <ul style="list-style-type: none"> <li>- improving the accuracy of carbon footprint measurements through collecting supplier-specific data;</li> <li>- allowing the positive impacts from reduction actions to be captured;</li> <li>- identifying business risks in the supply chain; and</li> <li>- encouraging supply chain integration towards Net Zero.</li> </ul> <p>Plan to increase the scope of surveying annually.</p>		
4	<p>Consider creative ways to engage and support the workforce to reduce business travel emissions. Examples include setting an internal organisation carbon credit scheme (limit that to a number of tCO<sub>2</sub>e per year), extra holiday days for low emission travel choice, bonuses, subsidised travel, equal mileage payments for diesel/petrol/EVs/cycling.</p>	2025	Business Travel
5	<p>Explore what further support can be provided to employees to reduce emissions associated with homeworking. Examples include:</p> <ul style="list-style-type: none"> <li>- keeping employees updated on options for domestic renewable energy tariffs and applicable energy saving schemes</li> <li>- providing information and education on home renewable energy options</li> <li>- offering a salary sacrifice scheme for home renewable energy technologies (<a href="#">e.g. Heva Energy</a>)</li> </ul>	2025	Commuting & Home-working

Based upon the above completed and planned initiatives, it is projected that Scope 3 carbon emissions will further decrease from the current reduction of 80.6% since the base year measurement, to keep us on track to Net Zero.

# Declaration and Sign Off

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

This Carbon Management Plan has been reviewed and approved by Observatory International's Executive Team.

Signed on behalf of Observatory International:



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Name: Lucinda Peniston-Baines

Position: Co-founder & Managing Partner

Date: 13 October 2025

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

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