# LOVE DES/GN **STUD\0**



**Baily Garner Carbon Impact Report** 2024

Annual emissions and an overview of progress on Baily Garner's journey to reach net zero

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## BAILY GARNER







Throughout 2024, Baily Garner have been working to reduce their emissions, with guidance from Love Design Studio. Baily Garner are targeting net zero for direct emissions (scope 1) and indirect fuel-related emissions (scope 2) by 2030 and aim to reach net zero across all scopes by 2040.

This document is the first of Baily Garner's annual impact reports, detailing emissions from the previous year and assessing where progress has been made. It builds on an initial emissions assessment carried out for a 12-month period through 2021 and 2022 and subsequent roadmap giving a clear action plan to reach net zero.

The secondary purpose of the document is to reflect on whether the current strategy is working and if any updates or changes are required.



The report includes the following sections:

- reduce emissions
- vs 2024
- reach net zero

This report uses data from 1<sup>st</sup> January to 31<sup>st</sup> December 2024. The calculation methodology remains the same as for the baseline year calculation, following GHG Protocol Guidance.

In this report, emissions are grouped into related emissions categories to give greater insight into the main sources of emissions and to create clear links between emissions and corresponding strategy actions. A category might span all scopes (e.g. Energy) or sit within just one (e.g. Purchased goods and services).

The strategy section of this report gives an overview of the net zero roadmap developed in 2024 with Love Design Studio, which includes a step-by-step action plan to reduce emissions.



### Actions carried out by Baily Garner 2024 to A summary of emissions produced in 2024 A comparison of emissions in the baseline year

## An overview of Baily Garner's strategy to

## BAILY GARNER



## **Original Baseline Year:** 2021/22 Emissions Overview

Emission sources are grouped into the following categories, which account for emissions across all scopes:

- Energy emissions associated with provision ٠ of heating, cooling, and electricity in office spaces
- Purchased goods and services upstream ٠ emissions associated with production of products and services used by Baily Garner
- Transport emissions from staff commute and ٠ business travel in company-owned vehicles
- Waste emissions resulting from processing ٠ of waste produced in offices

In 2021/22, Energy accounted for 74 tCO<sub>2</sub>e (13%) of total emissions, Purchased goods and services 297 tCO<sub>2</sub>e (54%), Transport 168 tCO<sub>2</sub>e (30%), and Waste 14 tCO<sub>2</sub>e (2%).

Scope 1 + 2 emissions were 72 tCO<sub>2</sub>e. Scope 3 emissions were 491 tCO<sub>2</sub>e.

Total emissions in 2021/22:

552 tCO<sub>2</sub>e

Energy	services	Transpo	ransport Waste						
	Cloud storage (S3), 47 Insurance (S3), 31	Leg professio	al and nal (S3), 23	devices (S3), 37 Electricity usag 3 London (S2+3),	e - m 23	tments (S3), 35 Repairs and maintenance (S3), 22			
Staff commute - London (S3), 101		Printing	and	Electricity usage Birmingham (S2+3)	- , 17 е	Travel and 7 entertaining (S3)		and (S3), 1	14
	Motor expenses / maintenance (S3), 28	stationery 20	y (S3),	IT costs (S3), 13	Telephone (S3), 10		Marketing and publicity (S3), 8		g /
Staff commute - Birmingham (S3), 49	Gas usage - London (S1+3), 27	Business Fossil vehicles 17	travel - fuel (S1+3),	Waste (S3), 12	Gas usa - Birming m (S1+ 8	age gha 3), 1	aff t (S3	raining ), 7 2	3

Figure 1: Breakdown of Baily Garner's sources of emissions in their baseline year (2021/22). Size of the block corresponds to the proportion of emissions resulting from a given source. Scope is given in brackets and values are given after emission source in tCO2e. 1 = Water (S3), 1 tCO<sub>2</sub>e; 2 = Bank charges (S3), 1 tCO<sub>2</sub>e; 3 = Business travel – EVs (S2+3), <1 tCO<sub>2</sub>e.

## New Baseline Year: 2024 Emissions Overview

Love Design Studio calculated Baily Garner's emissions in the 2024 calendar year. 2024 saw a significant increase in emissions from 552 tCO<sub>2</sub>e in the baseline year to 721 tCO<sub>2</sub>e.

By far, the largest contributors in 2024 were Transport (326 tCO<sub>2</sub>e, 45%) and Purchased goods and services (341 tCO<sub>2</sub>e, 47%), out of a total 721 tCO<sub>2</sub>e. Waste and Energy are relatively small in comparison, contributing 16 (2%) and 38 (5%) tCO<sub>2</sub>e, respectively.

**2024 will be treated as the new baseline year** as it more accurately represents the typical operations of Baily Garner over a year. A comparison of the new and original baseline years was carried out to understand the reasons for the increase in emissions (see overleaf).

Scope 1 + 2 emissions in 2024:  $154 \text{ tCO}_2\text{e}$ 

Scope 3 emissions in 2024:  $567 \text{ tCO}_2 \text{e}$ 

Total emissions in 2024:

721 tCO<sub>2</sub>e

	Cloud storage (S3)			Staff con	nmute -	· Birmingh	nam (S3)	
	Electronic devices (S	;3)	Insura	nce (S3)		Motor ex maintena	(penses / ance (S3)	
Business travel - Fossil fuel vehicles (S1+3)				IT costs (S3)	costs (S3)		Waste (S3)	
	Legal and professional (S3)	Printing	and	- I I	Electi usag Birmin (S2·	ricity ge - gham +3)	Gas usage - Birmingham (S1+3)	
		stationery	(00)	(S3)	Marke public	ting and ity (S3)	Staff tra (S3)	ining
Staff commute - London (S3)	Repairs and maintenance (S3)	Travel an entertainii (S3)	id ng	Electricity usage - Manchester (S2+3)	Busine - EV	ess travel s (2+3)	Gas usage - London (S1+3)	1 2 <mark>3</mark>

*Figure 2:* Breakdown of Baily Garner's sources of emissions throughout 2024. Size of the block corresponds to the proportion of emissions resulting from a given source. Scope is given in brackets and values are given after emission source in tCO2e.  $1 = Bank charges (S3), 2 tCO_2e; 2 = Electricity Usage - London, 1 tCO2e; 3 = Water (S3), <1 tCO_2e.$ 

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*Figure 3:* Comparison of emission sources in 2024 against the old baseline year, with values corrected per employee.

## Comparison of 2024 emissions compared with baseline emissions (2021/2022)

Overall emissions increased from 552 tCO<sub>2</sub>e in 2021/22 to 721 tCO<sub>2</sub>e in 2024. This is despite the changes that Baily Garner have already made to reduce emissions. There are two main reasons for this: i) firstly, the effect of the original baseline year being during the **COVID pandemic** which would have significantly reduced emissions associated with business travel, commuting, and energy usage, and ii) the **growth of the company**, resulting in the production of greater levels of emissions associated with business travel, commuting, and waste.

A comparison of emissions intensity between the original and new baseline years was carried out to verify whether emissions have changed as a result of company growth or another reason. Figure 2 shows annual emissions per employee across all categories, for both 2021/22 and 2024. Total emissions per employee for 2024 (~3,040 kgCO<sub>2</sub>e) are relatively similar to the original baseline year (3,070 kgCO<sub>2</sub>e), though vary in the proportion that each emission source contributes towards this. Most significant reductions were recorded in energy (-249 kgCO<sub>2</sub>e per employee), cloud storage (-45 kgCO<sub>2</sub>e per employee), and staff commuting (-123 kgCO<sub>2</sub>e). Meanwhile, significant increases were calculated in business travel (+565 kgCO<sub>2</sub>e).

Since the old baseline year, Baily Garner have switched their London office spaces onto a new 'Zero Carbon' electricity tariff, which is partly responsible for the fall in energy intensity.

The old baseline year took place partly during the COVID pandemic lockdown periods, meaning that employees mostly worked from home. The planned retrofit changes to office spaces should result in energy-related emissions falling further over the next 3-5 years, but Baily Garner can reduce energy consumption more immediately by monitoring appliance electricity use, for example.

The rise in per employee business travel emissions arises for as a result of the significant increase in mileage in 2024, as well as a higher proportion of employees having access to company cars. Overall, Baily Garner's efforts to reduce their emissions should be focused on some key areas. See overleaf for further details.

## Strategy Overview

Baily Garner have made efforts to reduce annual emissions, though it is essential that their net zero strategy also allows for company growth. Over the following years, they will be on reducing emissions across the following areas:

- Transport
- Office retrofit
- Supply chain
- Project-related emissions

#### Transport

Baily Garner have already made significant improvements to their vehicle fleet, switching out old vehicles for electric vehicles when the opportunity arises. They are on track to have a completely hybrid or electric fleet by the end of 2028. They will continue to switch out fossil fuel vehicles for more sustainable alternatives, which will reduce direct combustion of fossil fuels.

Baily Garner will ensure that all electricity purchased within their control is produced using renewable sources, to further reduce emissions produced by electric vehicles.

Reducing emissions associated with staff commuting provides a more complex problem. Employee number will likely rise considerably between 2024 and 2050, the UK deadline to reach net zero, likely resulting in increased emissions from this source.

While commuting may become less carbon intensive as transport options become more sustainable over time, Baily Garner will continue to encourage employees to use the less intensive modes of transport whenever possible.

Some approaches that other companies have used include:

#### Supply chain

- Encourage use of sustainable vehicles Baily Garner are considering reviewing their company car policy to encourage the purchase of electric vehicles as opposed to fossil fuel-powered equivalents.
- Sustainable commuter programs such as Pave Commute and the Cycle to Work scheme. These could include subsidising public transport passes or providing secure bike storage facilities.
- Flexible working hours to reduce peak-time commuting.

#### Office retrofit

Love Design Studio have carried out an extensive analysis of the potential impact of various retrofit options of office spaces. The purpose of this is to understand how certain changes will affect annual scope 1 and 2 emissions.

Baily Garner have already made some changes and will continue to do so to eventually transition away from the use of fossil fuels. Changes made so far include the installation of a high spec boiler in one of the office spaces. Future retrofits should consider the use of air source heat pumps as an alternative gas boilers to speed the transition to renewable energy.

A reassessment of emissions, in one- or two-years time, should be carried out to assess the impact of retrofit measures on energy usage.

Baily Garner have revised their supplier registration process to ensure that sustainability credentials are considered as part of the onboarding process. Suppliers are required to specify whether they have a net zero strategy in place and are offered quidance on producing a statement if the answer is 'no'.

Baily Garner will engage their supply chain to ensure that products are being obtained from ethical and sustainable sources. This will continue to impact emissions associated with Purchased Goods and Services.

#### **Project-related emissions**

Though not included within their emissions, the projects that Baily Garner are involved with result in the production of a significant level of CO<sub>2</sub>e.

Baily Garner will continue to reduce emissions associated with these projects as far as possible, for example by carrying out whole lifecycle carbon assessments (WLCAs) on relevant projects and reviewing sustainability practices.

#### Future steps

The following steps sit outside of the central strategy themes, though are important milestones on the journey to net zero:

- calculation accuracy
- Review emissions annually

Improve data gathering processes to enhance emission

## Target-Setting

Baily Garner are targeting net zero across:

## Scopes 1 & 2 by 2030Scope 3 by 2040

### **Emissions Reduction targets**

Baily Garner's have set net zero targets aligned with the Science-Based Targets Initiative (SBTi) framework:

- Reduce scope 1 and 2 emissions by at least 90% compared to the baseline year by the end of 2030 and neutralise any remaining emissions
- Reduce scope 3 emissions by at least 90% compared to the baseline year by the end of 2040 and neutralise any remaining emissions

Once net zero has been achieved, this level of emissions must be maintained up to and beyond the net zero target year to ensure compliance with the SBTi Corporate Net Zero Standard.

### Offsets and Carbon Removal

Baily Garner will reduce their emissions as far as possible. However, should they be required to neutralise remaining emissions to reach net zero (up to 10% of baseline year emissions), they are considering which options are available to them to do so.

Offsets can be used to neutralize emissions only if permanently remove and store carbon from the atmosphere, such as direct air capture and reforestation. As it is a last resort, this should be carried out once emissions have been reduced as far as possible.

Baily Garner will review the feasibility of investing in offset schemes verified for use within the SBTi framework, such as UK-based projects Pure Biochar or the Woodland Carbon Code. These removals should be verified for their authenticity, such as with Puro.earth or ISO 104064-2 certification.

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