

Sustainability Report 2016/2017



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1. Introduction

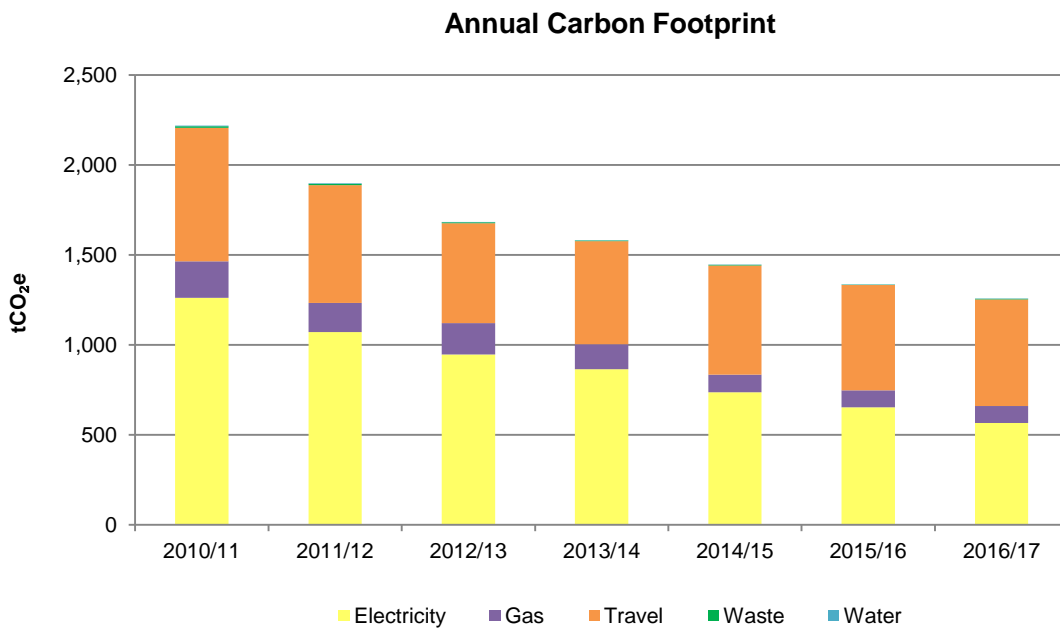
Skills Development Scotland (SDS) is committed to operating in a sustainable manner. Our sustainability activities fall under three key areas: organisational carbon management, sustainable procurement and promoting the low-carbon employment sector.

SDS measures its environmental impact through an organisational carbon footprint which allows us to set emissions reduction targets and track our progress. Table 1 shows our annual carbon footprint since 2010/11.

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Emissions (tCO ₂ e)	2,218	1,898	1,684	1,581	1,447	1,336	1,257

Table 1: Annual carbon footprint

The main components of SDS’s carbon footprint are electricity use and business travel - accounting for 45% and 47% respectively in 2016/17.



Scope of Reporting

SDS has a diverse estate portfolio, operating in properties ranging from leased offices and retail spaces to desks in libraries and schools. As a result, we use a financial control methodology to calculate our carbon footprint. For energy and water this covers offices where we are directly billed for our consumption through metering. Direct billing means that we control consumption and benefit from efficiency improvements from both a financial and carbon perspective. Our footprint also includes business travel for SDS’s total headcount and waste to landfill for the offices on our Mitie Waste uplift contract. Diagram 1 below illustrates the scope of SDS’s carbon

footprint in 2016/17 with the dashed line showing a breakdown of the activities covered by our financial control methodology. Despite the exclusion of unmetered sites where SDS does not have control over energy, waste and water, our carbon footprint still covers 73% of our employees' permanent bases.

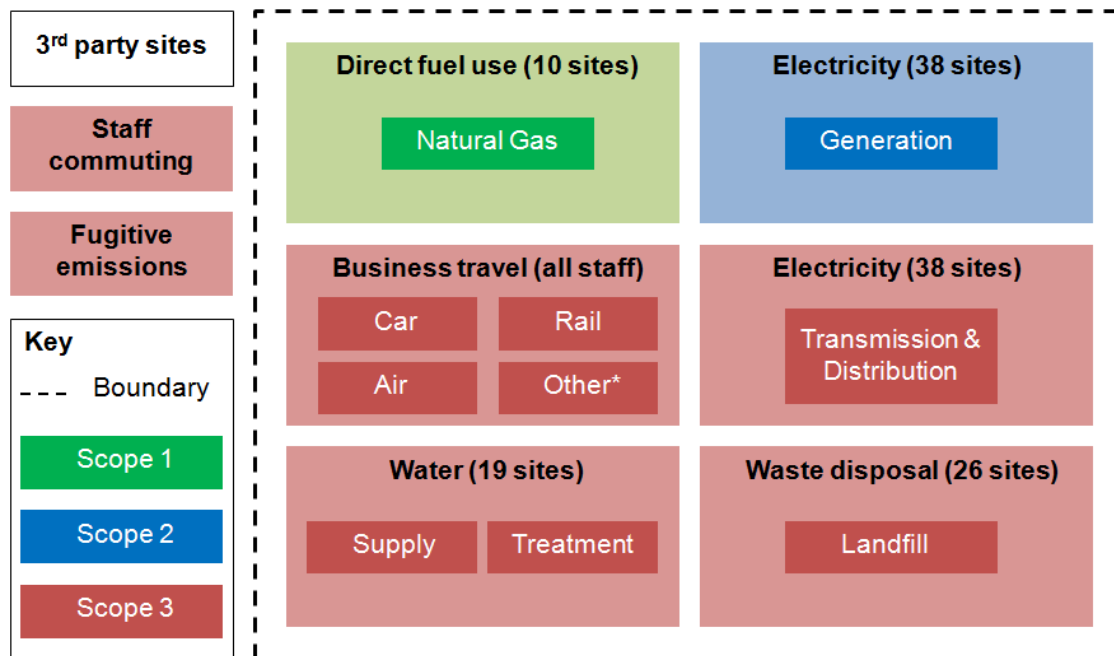


Diagram 1: Carbon footprint scope (*ferry, underground and tram)

Performance to Date

In 2011 SDS devised a four year Carbon Management Plan (CMP) which set out a target of a 30% reduction in carbon emissions by April 2015 against the 2010/11 baseline. SDS surpassed this initial target achieving a 35% carbon footprint reduction. As part of the second [Carbon Management Plan 2015-2020](#), SDS set a second target to reduce emissions by 42% by April 2020 on a 2010/11 baseline. At the end of 2016/17 we have successfully met our second carbon target three years early, achieving a 43% reduction in our emissions. As a result, all targets will be re-evaluated as part of the CMP review in 2017. Table 2 shows our annual reduction targets and our actual reductions since the baseline year.

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Target Reduction (on 2010/11)	0%	0%	7%	16%	30%	35%	37%
Actual Reduction (on 2010/11)	0%	14%	24%	29%	35%	40%	43%

Table 2: Annual target and actual emissions reduction

We continued to engage with our colleagues throughout 2016/17 to encourage low carbon behaviour such as communicating advice on recycling and reducing business travel. Whilst this engagement helped to reduce SDS's carbon footprint, the reduction was achieved primarily through:

- Reduction in energy consumption across our estate
- Continued decarbonisation of the electricity grid

SDS also successfully recertified with the Carbon Trust Standard, achieving an impressive score of 87%.

Influenced Impacts

Throughout our transition to becoming a low carbon organisation we have and will continue to highlight the environmental benefits of low carbon actions and believe this also has a positive impact on colleague's choices at home.

Whilst we continue to focus on reducing our own impact on the environment, we also endeavour to encourage our providers to reduce their environmental impact through our procurement process. SDS has a [Responsible and Sustainable Procurement Policy](#) which details our approach to embedding responsible and sustainable procurement within procurement processes and throughout our supply chain. Appropriate environmental requirements are integrated into all procurement activities at the pre-qualification, specification and evaluation stages. We also have a [Responsible and Sustainable Procurement Strategy](#) which sets out our longer term approach to sustainable procurement. In 2016, SDS published a 'Procurement Strategy 2016-2020' which includes the procurement mission statement: "To deliver value added procurement that supports community, economy, inclusion and environment". SDS adheres to the Scottish Government's 'Scottish Procurement Directorate' and the 'Sustainable Procurement Action Plan for Scotland', as well as supporting the 'Developing Market Sector for the Third Sector Provider's Programme'. Community Benefits in this context are contractual requirements which deliver wider social benefits, including targeted recruitment and training, and environmental and community engagement.

2016/17 Re-baseline

Having met the targets three years early we are re-baselining our carbon footprint. The new 2020 target baseline will be 2016/17 which is being revised to more accurately reflect SDS's environmental impact and improve transparency of the public sector carbon footprint. This will involve the following revisions:

- Inclusion of energy in six offices outwith our financial control which are not covered in the carbon footprint of other public sector organisations
- Travel booking and car hire data will be recorded by date of travel rather than date of booking
- Car hire footprint will be split by size of car i.e. Class A-B, C or D rather than using the average conversion factor
- Inclusion of recycled waste

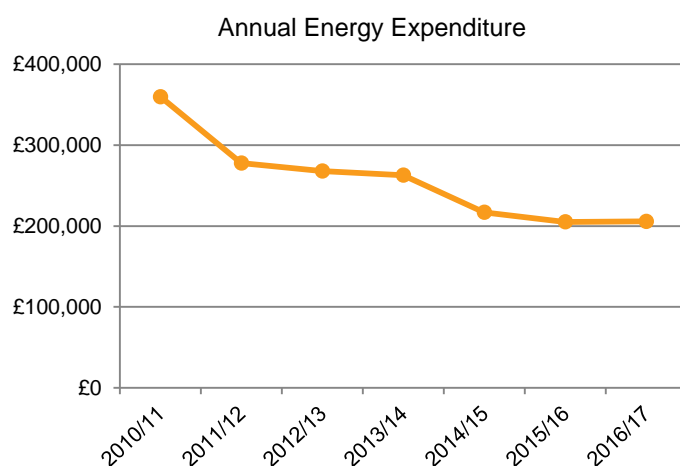
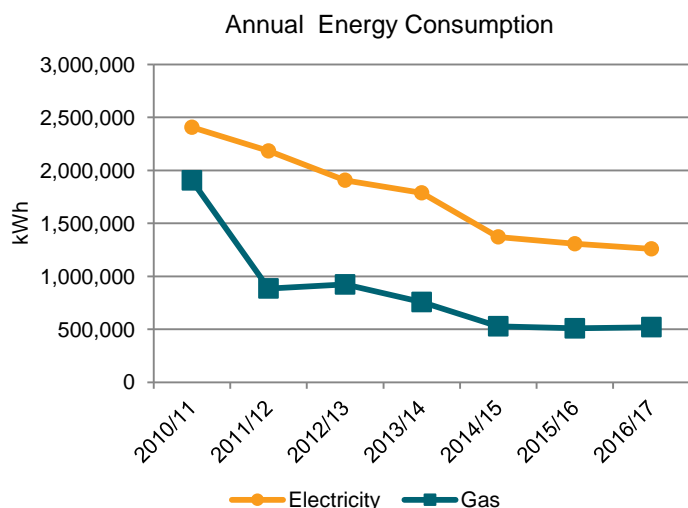
The new 2016/17 baseline will be used in reporting from the 2017/18 Sustainability Report onwards.

2. Energy

		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Emissions (tCO ₂ e)	Electricity	1,262	1,071	946	864	737	654	565
	Natural Gas	203	162	175	139	98	94	96
	Total	1,465	1,233	1,121	1,003	835	747	661
Emissions Intensity (tCO ₂ e/m ²)	Electricity	0.087	0.076	0.071	0.066	0.070	0.062	0.055
	Natural Gas	0.038	0.030	0.038	0.037	0.039	0.041	0.042
Consumption (kWh)	Electricity	2,406,204	2,182,497	1,906,362	1,787,082	1,371,409	1,306,403	1,258,435
	Natural Gas	1,905,031	884,796	922,546	756,640	527,889	508,312	519,662
	Total	3,501,235	3,067,293	2,828,908	2,543,722	1,899,298	1,814,715	1,778,097
Financial Expenditure	Electricity	-	£236,519	£227,596	£225,683	£189,665	£183,125	£184,889
	Natural Gas	-	£41,215	£40,329	£37,147	£27,290	£22,024	£20,741
	Total	£359,660¹	£277,734	£267,925	£262,830	£216,955	£205,149	£205,630

Table 3: Annual energy emissions, consumption & expenditure

¹ The financial expenditure data for 2010/11 is only available for the total electricity and gas consumption.



Performance to Date

Electricity and gas consumption accounted for 53% of SDS's carbon footprint in 2016/17. Although electricity is no longer the highest contributor to our carbon footprint, having been overtaken by business travel, it continued to be the main source of our reductions in 2016/17 - accounting for 73% of the total annual carbon footprint reduction. Total energy kWh consumption reduced by 4% across the estate in 2016/17, however kWh consumption from natural gas increased by 2%. Our CMP contains a target to reduce energy consumption by 10% by 2020 on a 2014/15 baseline. We have achieved 64% of this target at the end of 2016/17. This target will be reviewed as part of the CMP review in 2017.

Actions

Since 2010/11, improving the energy efficiency of our estate has been a vital element of our carbon management strategy. In 2016/17 a variety of energy efficiency improvements were implemented.

- Installation of high efficiency boiler in Kirkcaldy
- LED lighting upgrades in three offices (Kirkcaldy, Clydebank and Peterhead)
- Building Management Systems (BMS) installed in Greenock and Stranraer to control the heating and cooling systems based on time-schedules and internal temperatures. This ensures that the systems operate in accordance with our normal working hours, reducing energy consumption when the premises are not in use. A remote connection was also installed to allow faults to be investigated and resolved remotely or the correct engineering support to be deployed if required.
- Energy Dashboard for 23 of our sites with Automatic Meter Readers (AMRs) to bring together our energy data into one common portal. This platform provides day+1 data

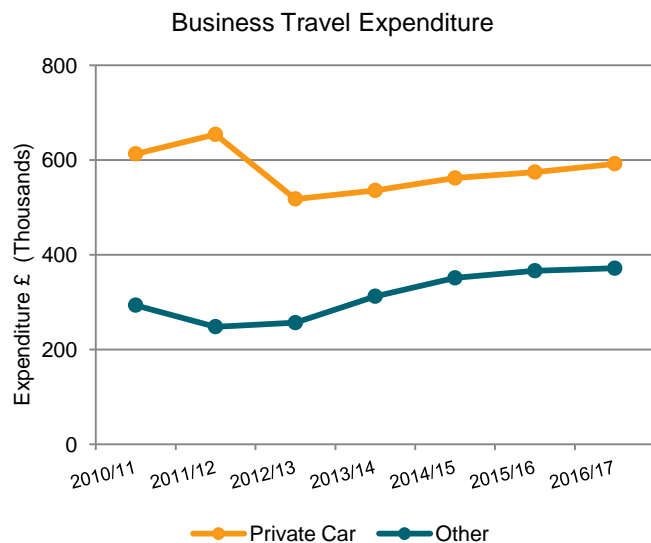
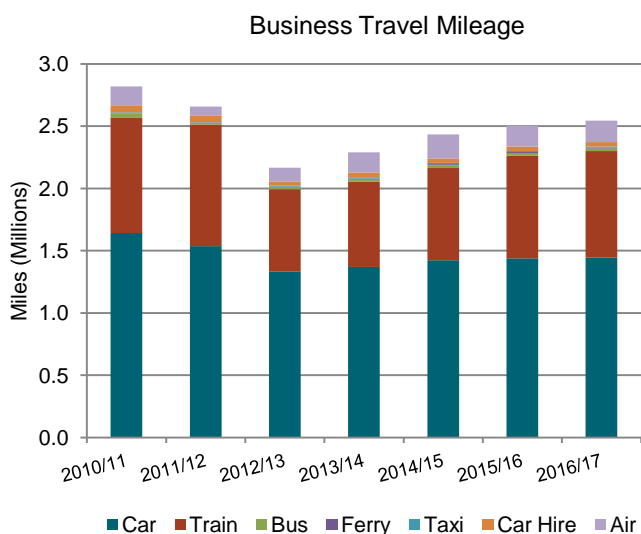
allowing for more advanced monitoring and targeting of energy use across the estate. Green Champions will also have access to this platform to help empower them to drive change in their office.

Ongoing colleague engagement on energy reduction and further development of the Green Champion Network continued to be an area of focus in 2016/17. We hold bi-monthly online meetings and issue bi-monthly environmental newsletters to ensure Green Champions have the necessary knowledge to drive change at a local level with support from the Carbon Management Team. We also promoted various external campaigns amongst staff in 2016/17 in order to place further emphasis on environmental issues and to keep staff engaged with fresh messages. This included the UK wide Recycle Week, the Scottish Government's Climate Week 2016 and Sustrans' Scottish Workplace Journey Challenge. SDS also promotes WWF's annual Earth Hour.

3. Business Travel

		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Emissions (tCO₂e)	Private Car	550	506	417	419	434	431	435
	Other: rail, bus, ferry, tram, taxi, car hire & air	192	149	139	153	172	154	157
	Total	743	655	556	572	606	585	592
Miles	Private Car	1,641,412	1,537,156	1,330,274	1,369,136	1,422,969	1,437,900	1,445,293
	Other: rail, bus, ferry, tram, taxi, car hire & air	1,176,853	1,119,478	835,255	920,910	1,011,353	1,066,675	1,098,542
	Total	2,818,265	2,656,634	2,165,529	2,290,046	2,434,322	2,504,575	2,543,835
Normalised Miles (miles/FTE)	Total	2,188	2,214	1,920	1,878	1,980	1,714	1,632
Miles % By Mode	Private Car	58.2	57.9	61.4	59.8	58.5	57.5	56.8
	Other: rail, bus, ferry, tram, taxi, car hire & air	41.8	42.1	38.6	40.2	41.5	42.5	43.2
Financial Expenditure	Private Car	£613,347	£654,247	£518,122	£535,982	£562,230	£574,730	£592,390
	Other: rail, bus, ferry, tram, taxi, car hire & air	£293,840	£248,419	£256,879	£312,666	£351,456	£366,479	£371,766
	Total	£907,187	£902,666	£775,001	£848,648	£913,687	£941,209	£964,156

Table 4: Annual business travel emissions, miles & expenditure



Performance to Date

Business travel is a significant component of our carbon footprint as SDS delivers its services the length and breadth of Scotland. Accounting for 47% it is the largest contributor to our carbon footprint in 2016/17, overtaking electricity for the first time. The use of private car alone is in fact second to only electricity consumption at 12% of the total carbon footprint.

Unlike energy use which has reduced year on year since 2010/11, business travel mileage has been increasing since 2012/13. There was an annual increase in 2016/17 of 1.6% which equates to over 39,000 miles. However, the rate of increase has slowed down compared to 2014/15 and 2015/16 which saw annual increases of 6.7% and 2.9% respectively. Furthermore as displayed in the table above the mileage per FTE has decreased. Business travel is the area of our carbon footprint most influenced by an increase or decrease in headcount.

The increase in business travel can partly be attributed to the positive expansion and improvement of our services and commitment to local provision of services in every public school and in partner locations as well as our own network of centres.

It is important to consider not only the total mileage but also the modes used as carbon intensity differs greatly, for example the carbon intensity of one mile by car is 74% higher than travelling one mile by train. Private car continues to be the most common mode of transport for business travel, accounting for 56.8% of SDS's total mileage in 2016/17, followed by rail travel which accounts for 33.6%.

As communicated in the CMP, SDS has set a target to reduce business travel mileage by 5% by 2020 on a 2014/15 baseline, equating to 121,716 miles. There is also a target for private car to account for 50% or less by April 2020. Although progress is slow against these targets, the

proportion of mileage by private car has decreased by 1.6% since the 2014/15 baseline so we are moving in the right direction.

Actions

Although the increase in travel can be in part attributed to the positive expansion of our services to deliver a world class service for our customers and an increase in headcount, we continue to take proactive steps to reduce business travel through increased use of online meeting technology and greater use of low carbon methods of transport. In order to reduce business travel mileage for internal meetings we have invested in online conferencing technology to allow SDS colleagues to hold meetings remotely. In 2017/18 SDS is upgrading from Microsoft Lync to Skype for Business which will have better capability for online meetings and therefore will hopefully lead to an increase in online meetings and a subsequent decrease in miles travelled for internal SDS meetings. It also provides the option to access files offline which should help with the promotion of use of public transport over driving as it will remove the requirement to depend on unreliable WiFi networks.

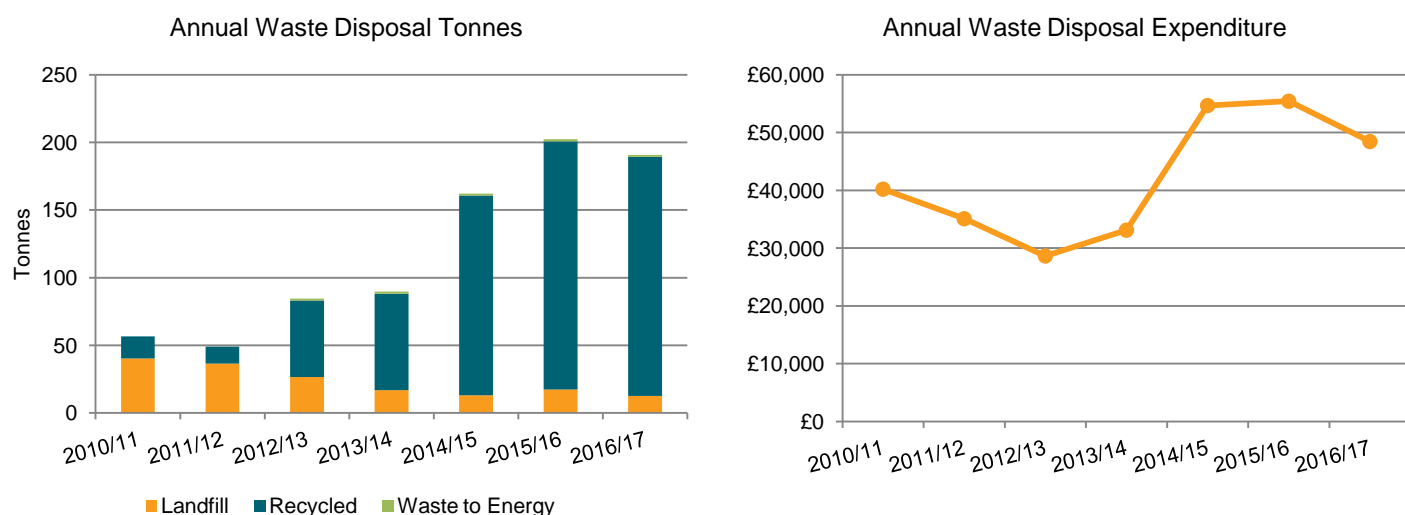
In February 2017 the third SDS 'Limited Internal Travel Month' took place. For this campaign colleagues were requested to limit their internal travel where feasible by utilising the available technologies for online meetings with colleagues. This resulted in an overall 34% reduction in miles claimed for internal business travel compared to February 2016 when there was no limit on internal travel. Car mileage decreased by 31% and rail mileage decreased by 38%, equating to a saving of 13,369 miles and 2.5 tCO₂e. Due to the success of this campaign, it will be rolled out again in February 2018.

In May 2016 and March 2017 SDS took part in the new 'Scottish Workplace Journey Challenge', a campaign run by Sustrans to reduce the number of single occupancy car trips made for commuting journeys. With promotion through intranet articles, comms updates and the Green Champion Network SDS staff recorded an impressive 1,700 healthy and low carbon journeys in March 2017, avoiding the emission of 873kg CO₂. SDS came in 3rd place out of 47 organisations in our group of over 1,000 employees.

4. Waste

		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Emissions (tCO₂e)	Landfill Waste	7.8	7.3	5.3	3.3	3.3	1.6	2.5
Tonnes	Landfill	40.2	36.5	26.6	16.8	13.03	17.3	12.7
	Recycled ²	16.3	12.6	56.5	71.3	147.6	183.5	176.6
	Energy From Waste	0	0	1.44	1.59	1.62	1.59	1.53
	Total	56.6	49.1	84.6	89.7	162.2	202.4	190.8
Landfill Diversion Rate		29%	26%	69%	81%	92%	91%	93%
Financial Expenditure²	All Waste	£40,204	£35,091	£28,648	£45,632	£51,717	£55,763	£48,767

Table 5: Annual waste emissions, consumption & expenditure



Performance to Date

In 2016/17 the total waste disposal (landfill, recycling and waste to energy) decreased by 10.6 tonnes, equivalent to a 5% decrease on 2015/16. The total volume of waste sent to landfill saw a 27% decrease from 17.3 tonnes in 2015/16 to 12.7 tonnes in 2016/17. Furthermore, the landfill diversion rate improved by 2% to 93%. The biggest increase in waste source was from confidential paper. This is likely due to the increased requirement for colleagues to ensure all potentially confidential paper is disposed of appropriately and also the potential disposal of non-confidential paper in these bins. This is being addressed through internal communications and assessment of the number and locations of these bins and will continue to be monitored.

² Accurate waste stream breakdown not available

Actions

SDS strives to reduce the total amount of waste produced overall and increase the proportion of recycled waste. In April 2013 an organisational wide waste and recycling contract with Mitie Waste came into effect which covered 37 offices at the end of 2016/17.

A 'follow-me' print system was rolled out in 2015/16 across all offices which requires colleagues to swipe their staff pass at the printer in order to retrieve their documents. This is a more secure system and will help cut paper waste through reducing the incidence of colleagues accidentally printing a document multiple times or printing a document but then forgetting to collect it. Due to this transfer onto a smarter printing system, we are now able to access accurate data on paper use from all the SDS printers across our estate. In 2016/17 colleagues across the organisation printed a total of 6.5 million sheets of paper. This is a decrease of 1% per FTE compared to 2015/16³.

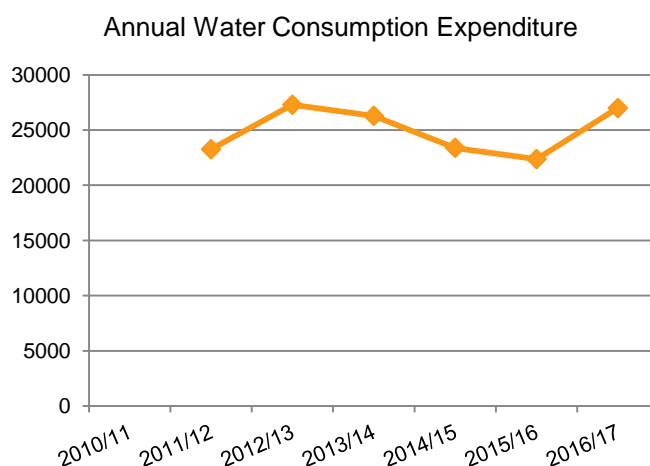
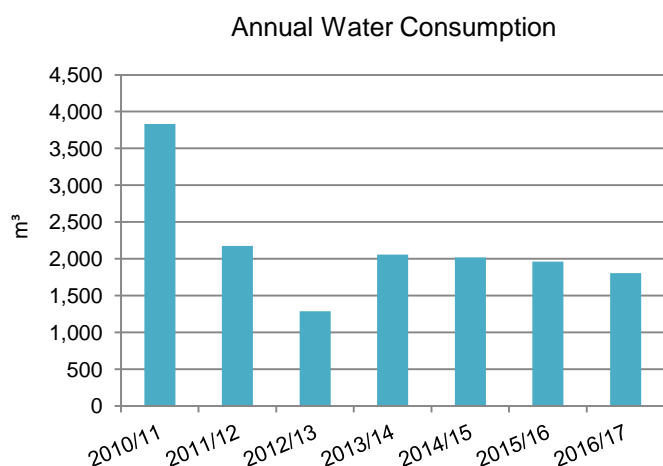
We continue to use 100% recycling paper and/or Forestry Stewardship Council (FSC) paper for all printed internal documents where available and print external documents and brochures on 80% recycled paper. We also continue to encourage our colleagues to 'think before you print' and to share documents online. Default settings are double sided and grey-scale to reduce the volume of paper and ink used.

5. Water

		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Emissions (tCO ₂ e)	Water Consumption	3.2	2.3	1.4	1.8	2.7	2.1	1.9
Consumption (m ³)	Water Consumption	3,833	2,176	1,290	2,056	2,017	1,964	1,807
Financial Expenditure	Water Consumption Expenditure	No data available	£23,259	£27,283	£26,281	£23,385	£22,365	£26,895

Table 6: Annual water emissions, consumption & expenditure

³ Quarters 3 and 4



Performance to Date

SDS's water consumption decreased by 8% in 2016/17. This equates to an overall reduction of 53% since 2010/11.

Actions

Since 2013/14 all office retrofit projects have been required to consider water saving devices, such as low flush toilets, waterless urinals, spray and low flow taps and water saving white goods. Hydrotaps and hot water boilers have been installed in some offices to reduce the overuse of water when boiling the kettle. Dishwashers have also been purchased for busier offices as less water is used in a full dishwasher compared to running a tap to clean dishes.

6. Carbon Trust Standard Recertification

The Carbon Trust is an internationally recognised independent body which certifies organisations on their approach to carbon management. It is structured around questions relating to governance, carbon footprint measurement, impact of operations, upstream impacts and downstream impacts. We first undertook the certification process and received the Standard in 2013 and are required to recertify every two years. In 2017 we scored an impressive 87% covering the years 2015/16 and 2016/17. This is a 6% improvement on our first certification and a 4% improvement on the 2015 recertification, surpassing our aim to achieve 85%. This score puts us at the top of our sector ('Employment Services') consisting of 63 organisations from across the UK. Over the next two years we will work to action the Carbon Trust's recommendations in order to continue to demonstrate further improvements and realise the associated benefits.

7. Adaptation

As the national skills agency for Scotland, SDS plays a key role in ensuring that Scotland invests in the skills required to adapt to climate change. SDS must also ensure that as an organisation we are aware of and are equipped to deal with the risks associated with climate change.

SDS has deployed technology which creates flexible working conditions and increases our climate change adaptation capabilities. This allows staff to work remotely on their laptops from anywhere with an internet connection. If physical access to an office is not possible due to an extreme weather event, such as flooding, employees would still have access to their work resources and therefore the capacity to fulfil their role. Some of SDS's offices function on a hot desk system making it easy for employees to work out of other offices. We also have agreements with other public sector organisations to allow our staff to work from their premises if required.

Our internal 'Adverse Weather and Disruption to Public Transport' policy explains what to do if you can't get to work due to adverse weather and provides advice on alternative working arrangements. There are plans to refer to climate change in the policy overview to emphasise the importance of understanding this policy as adverse weather events are projected to increase in frequency and severity.

SDS also raises staff awareness of climate related risks through internal communications and engagement such as intranet articles, blog posts, newsletters, our Green Champion Network and our Carbon Management Plan 2015-2020. The IT Team communicated information regarding keeping IT hardware safe which included advice on storing laptops on upper floors or on top of desks in case of flooding.

8. Biodiversity Duty

SDS has a responsibility under the Nature Conservation (Scotland) Act 2004 and the Natural Environment (Scotland) Act 2011 to ensure we help to conserve biodiversity in Scotland. Biodiversity is the variety of plant and animal life which surrounds us. Whilst SDS service delivery does not directly interact with biodiversity, as we do not own land, buildings or transport, we can still reduce the impact of our activities on the natural environment. SDS aims to conserve biodiversity through three key areas:

1. Carbon Footprint

Since 2010/11 SDS has captured its carbon footprint and put in place strategies to reduce the impact its activities have on the natural environment. SDS reduced our carbon footprint by 43% by April 2017 on a 2010/11 baseline, surpassing our 2020 target three years early. This involved reducing the energy and water consumption in our offices, cutting down on business travel mileage by utilising technology, and recycling as much waste as possible.

2. Volunteering

SDS encourages staff to engage in a range of volunteering activities, which can include activities which directly benefit the natural environment. The Estates & Facilities Team had a team day out which included helping to maintain the gardens at the Falkirk Wheel. At our Benbecula office, the team donate their shredded paper to the local Uist Community Riding Stables to be used as bedding material. This allows the stables to sustainably source their bedding material.

SDS also has a strong network of Green Champions across the organisation who are responsible for reducing the environmental impact of their office. This can involve anything from promoting recycling to encouraging colleagues to print less.

3. Service Delivery

As the national careers and skills body for Scotland, SDS has an important role in promoting work and training opportunities in biodiversity and the wider environmental sector. By increasing expertise and linking human resources with natural resources, SDS is helping Scotland to harness the protection of the natural environment. The Low Carbon Skills Fund provides businesses in Scotland with up to 100 employees the opportunity to receive funding towards training in carbon reduction and energy efficiency, and the partnership with LANTRA supports skills and training for people and businesses in the land-based and environmental sector.

9. Promoting the Low Carbon Employment Sector

As the national skills body for Scotland, SDS has a key role to play in ensuring that Scotland invests in the skills required to meet the growing low carbon employment sector. We have many partners in regards to the skills service that we provide which are involved in low carbon training. The Low Carbon Skills Fund (LCSF), which SDS continued to offer in 2016/17, enables employers to access funding to undertake training and to support sustainable development and growth, and has many benefits for a business, including:

- learning and training to improve resource and energy efficiency
- adopt innovative technologies or new sustainable practices and processes and identify new market opportunities
- PR benefits from green credentials

The fund gives any Scottish business with fewer than 100 employees the opportunity to apply for up to £5000 towards employee training costs in areas such as renewable energy and low-carbon technologies, energy efficiency, waste management and reuse, and reducing carbon in supply and energy management.

Through supporting Modern Apprenticeships (MAs), SDS helps tackle Scotland's skills gap by contributing towards training costs to allow young people to gain valuable work experience whilst becoming qualified. In 2016/17 we promoted youth employment in the low carbon sector by supporting 81 MAs within 'Sustainable Resource Management' and five MAs in 'Wind Turbine Operation and Maintenance'.

In December 2016, SDS jointly won a 'Contribution to Skills Award' at the Scottish Green Energy Awards, in conjunction with the Scottish Fisherman's Federation, to offer training and up skilling to those working in the fleet so they could use their skills in renewables. The initiative involved adapting support services originally developed for the oil and gas sector for use in the offshore wind sector.

SDS is a partner in the 'Powering the Future' interactive exhibition at the Glasgow Science Centre which aims to raise awareness and understanding of the critical issues surrounding the future of our energy supply. By making the science relevant and accessible, the exhibition aims to spark interest among the future generation and inspire them to take up careers within this sector.

Notes:

Note 1: All carbon emission factors are from Defra's annual 'UK Government Conversion Factors for Company Reporting' available at <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2016>

Note 2: The financial figures are only for the offices covered by our carbon footprint methodology and therefore will not match with the figures in the annual accounts.

Note 3: The data in this report is correct as of October 2017 and may be subject to change