

Sustainability Report 2017/18



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1. Introduction

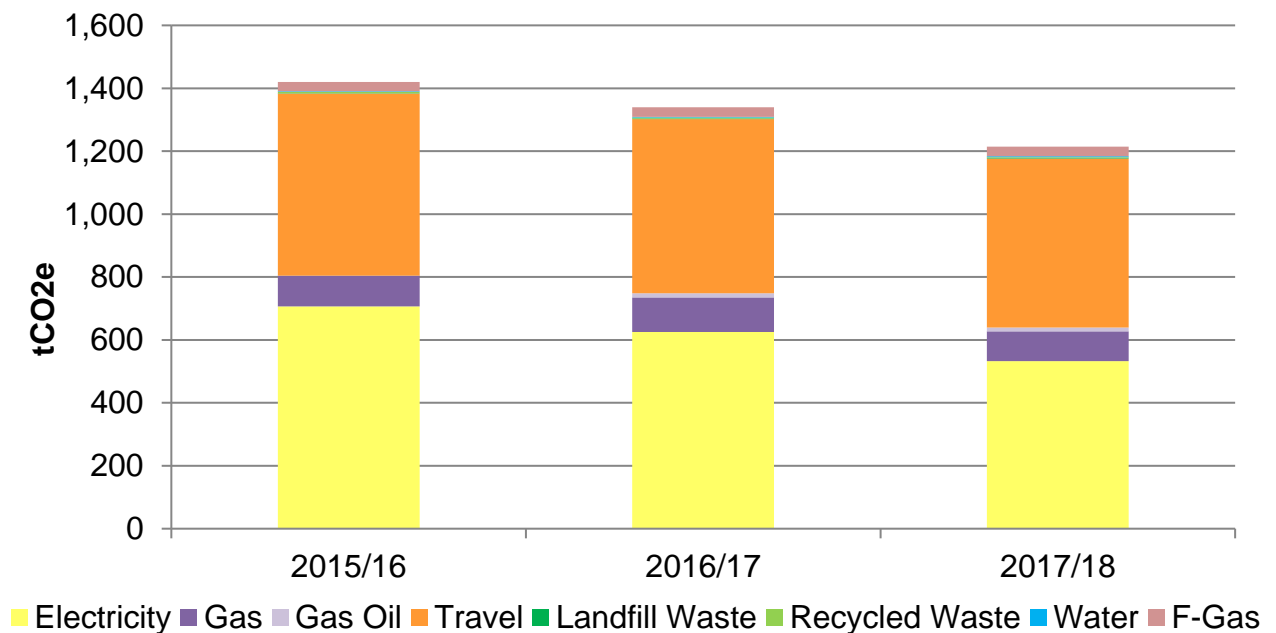
Skills Development Scotland (SDS) is committed to operating in a sustainable manner. Our sustainability activities fall under three key areas: organisational carbon management, sustainable procurement and promoting the low-carbon employment sector.

SDS measures its environmental impact through an organisational carbon footprint which allows us to set reduction targets and track our progress. Table 1 shows our annual carbon footprint since 2015/16.

	2015/16	2016/17	2017/18
Emissions (tCO₂e)	1,420	1,340	1,214

Table 1: Annual carbon footprint

The main components of SDS's carbon footprint are electricity use and business travel - accounting for 43.9 % and 44.3 % respectively in 2017/18.



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. Our carbon footprint includes sites where we are directly billed for our energy consumption. Direct billing means that SDS

sees the benefit from efficiency improvements from both a financial and carbon perspective. In 2017/18 a scope review was undertaken to also include other shared sites not reported on by another public sector organisation. This resulted in the inclusion of energy use at a further four offices which has improved the completeness of SDS's carbon footprint. Our footprint also includes business travel for SDS's total headcount, landfill and recycled waste for the offices on our Mitie Waste uplift contract and water in directly billed sites. Diagram 1 below illustrates the scope of SDS's carbon footprint in 2017/18.

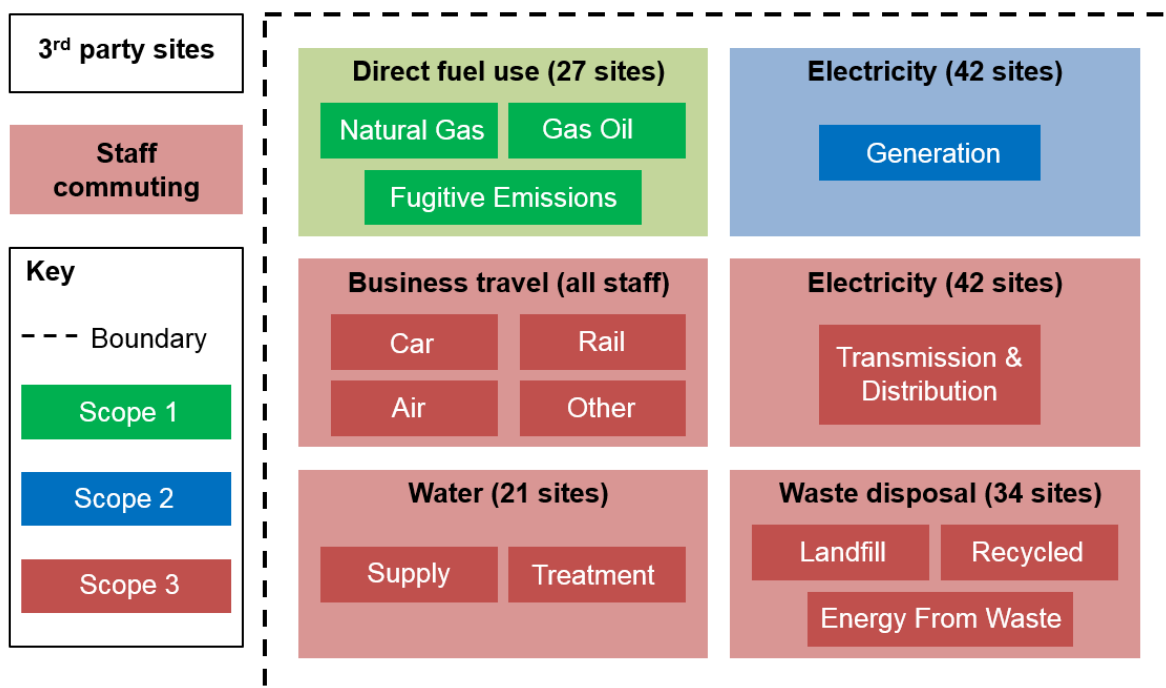


Diagram 1: Carbon footprint

2020 Targets

In 2011 SDS launched a four-year Carbon Management Plan (CMP) which set out a target of a 30% reduction in carbon emissions by April 2015 against a 2010/11 baseline. This initial target was surpassed with 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 successfully met this three years early, achieving a 43% reduction in our emissions. As a result, all targets were re-evaluated as part of the CMP review in 2017. The following targets have been set on a 2016/17 baseline to be achieved by April 2020:

- **8% reduction in energy kWh**

- **3% reduction in grey fleet (private car) mileage**
- **95% landfill diversion rate**

The decision was made to set targets on consumption rather than carbon emissions to remove the impact of external influences, such as the electricity grid conversion factor, over which SDS has no control. Due to the greening of the electricity grid in Scotland, organisations can meet carbon emissions targets with little effort however to meet consumption reduction targets SDS needs to take real action.

Influenced Impacts

Although SDS's direct impact on the environment is the keystone of our Carbon Management Plan it is also important to recognise our wider influence.

Throughout our transition to becoming a low carbon organisation we have the opportunity to highlight the environmental benefits of low carbon actions and the positive impact this can have on the choices colleagues make outside of work. By participating in engagement campaigns such as Scottish Workplace Journey Challenge and Climate Week, colleagues gain valuable knowledge about sustainable behaviour which they can transfer to their home life. For example, discovering the benefits of commuting by active travel and public transport through taking part in the Workplace Journey Challenge can lead to changes in personal travel habits. The ongoing messaging in SDS around energy saving opportunities through simple actions such as ensuring lights and electronic equipment are switched off when not in use instils green behaviour awareness which can have a knock-on effect of energy and cost savings at home.

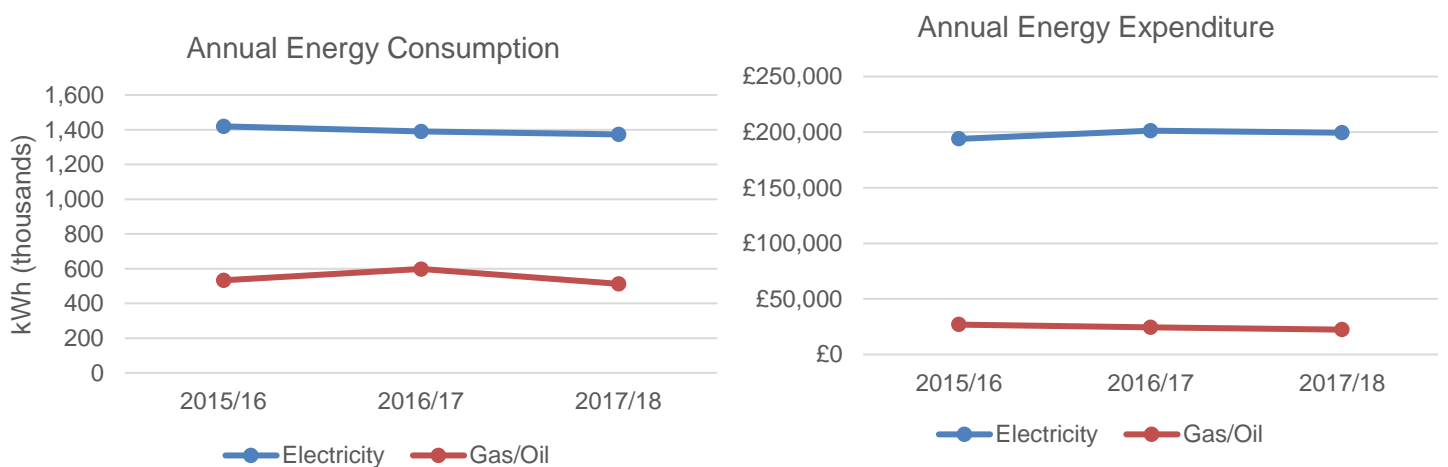
SDS also endeavours to encourage our suppliers to reduce their environmental impact through our procurement process. The [Responsible and Sustainable Procurement Policy](#) details our approach to embedding responsible and sustainable procurement within procurement processes and throughout our supply 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.

2. Energy

		2015/16	2016/17	2017/18
Emissions (tCO ₂ e)	Electricity	816	719	612
	Natural Gas	111	125	109
	Total	927	844	721
Emissions Intensity (tCO ₂ e/m ²)	Electricity	0.078	0.067	0.067
	Natural Gas	0.045	0.044	0.035
Consumption (kWh)	Electricity	1,419,343	1,390,557	1,373,181
	Natural Gas	532,585	598,396	512,679
	Total	1,951,928	1,988,953	1,885,860
Financial Expenditure	Electricity	£193,938	£201,339	£199,412
	Natural Gas/Oil	£26,862	£24,460	£22,345
	Total	£220,799	£225,799	£221,757

Table 2: Annual energy emissions, consumption & expenditure



Performance to Date

Energy (electricity and gas) consumption accounted for 54% of SDS's carbon footprint in 2017/18. Total energy kWh consumption decreased by 4.5% at the end of 2017/18 on the 2016/17 baseline. This puts us on schedule to achieve the 8% reduction target by 2020.

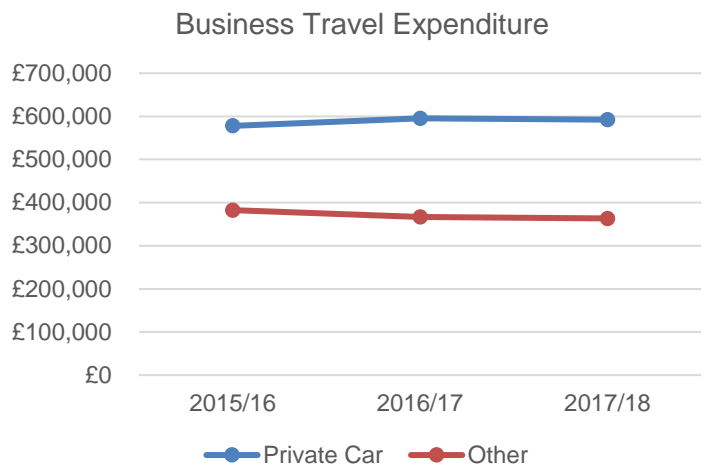
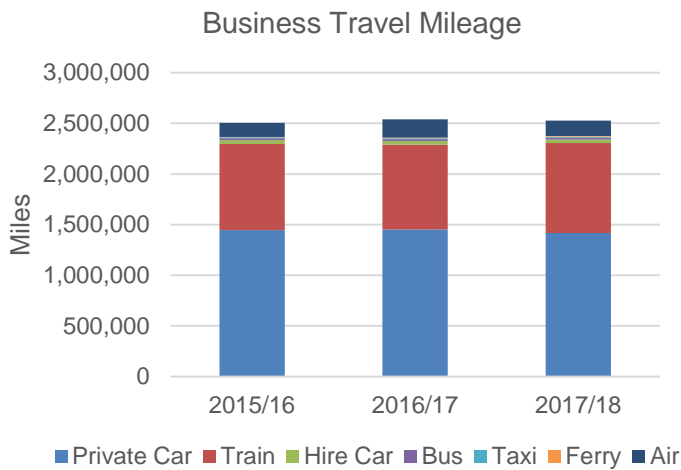
Actions

Since 2010/11, improving the energy efficiency of our estate has been a vital element of our carbon management strategy. In 2017/18 this entailed upgrading lighting to LEDs at two sites – Airdrie and Dundee – and resetting the gas timers in four sites (Kirkcaldy, Galashiels, Musselburgh & Stirling), to maximise efficient use of the heating systems. The saving opportunity by resetting these timers was identified using the day+1 data within our Energy Dashboard.

3. Business Travel

		2015/16	2016/17	2017/18
Emissions (tCO ₂ e)	Private Car	434	396	387
	Other: rail, bus, ferry, tram, taxi, car hire & air	145	158	151
	Total	579	554	538
Miles	Private Car	1,446,432	1,450,819	1,418,791
	Other: rail, bus, ferry, tram, taxi, car hire & air	1,059,245	1,087,847	1,108,807
	Total	2,505,677	2,538,666	2,527,598
Normalised Miles (miles/FTE)	Total	1,883	1,644	1,602
Miles % By Mode	Private Car	58%	57%	56%
	Other: rail, bus, ferry, tram, taxi, car hire & air	42%	43%	44%
Financial Expenditure	Private Car	£577,918	£595,389	£592,439
	Other: rail, bus, ferry, tram, taxi, car hire & air	£382,544	£366,541	£363,315
	Total	£960,462	£961,930	£955,754

Table 3: 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 44.3% it was the largest contributor to our carbon footprint in 2017/18. The use of private car alone is in fact second to only electricity consumption at 11% of the total carbon footprint, greater than gas consumption at 8%.

SDS has a target to reduce grey fleet (private car) mileage by 3% by April 2020 on a 2016/17 baseline. By the end of 2017/18 mileage had decreased by 2%, putting us in a strong position to achieve the 2020 target. Total business travel mileage saw a small decrease of 0.4% which translates into 3% per FTE. The FTE figure is important to track as business travel mileage is influenced significantly by a change in headcount.

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% of SDS's total mileage in 2017/18, followed by rail travel which accounts for 35%. This high percentage of travel undertaken by private cars within SDS was the reason behind focusing the 2020 reduction target on the grey fleet.

Actions

We continue to take proactive steps to reduce business travel for example through promoting increased use of online meeting technology and greater use of low carbon methods of transport. To reduce business travel mileage for internal meetings SDS has invested in online conferencing technology to allow colleagues to hold meetings

remotely. In 2017/18 SDS upgraded from Microsoft Lync to Skype for Business which has better capability for online meetings. In 2018/19, SDS will introduce Office 365, which comes with programmes such as OneDrive which can be used to collaboratively work on projects, no matter of the physical location of team members. SDS will also upgrade its internal storage system to iShare online, which provides the option to access files offline which will help with the promotion of use of public transport over driving as it will remove the requirement to depend on unreliable Wi-Fi networks to undertake work.

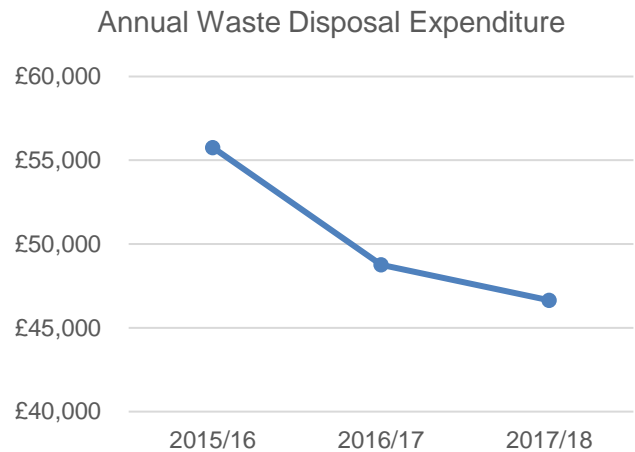
In February 2018, the fourth SDS 'Limited Internal Travel Month' took place. For this campaign colleagues were requested to limit their travel for internal meetings where feasible by utilising the available online meeting technology. This resulted in an overall 35% reduction in miles claimed for internal business travel compared to February 2016 when there was no limit on internal travel. Car mileage decreased by 38% and rail mileage decreased by 29%, equating to a saving of 13,235miles and 2.9 tCO₂e. Due to the continued success of this campaign, it will be rolled out again in February 2019.

In March 2018 SDS once again took part in the 'Scottish Workplace Journey Challenge', a campaign run by Sustrans to reduce the number of single occupancy car trips for commuting journeys. With promotion through intranet articles and updates via organisation wide communications and the Green Champion Network, the 90 SDS colleagues who participated recorded an impressive 1,400 active and low carbon journeys. This avoided the emission of 927 kgCO₂e and resulted in SDS achieving 3rd place out of 46 organisations in our category of over 1,000 employees.

4. Waste

		2015/16	2016/17	2017/18
Emissions (tCO ₂ e)	Landfill Waste	1.6	2.5	1.2
Tonnes	Landfill	17.3	12.7	9.1
	Recycled	184	133	125
	Energy From Waste	1.6	1.5	1.6
	Total	202.4	147.2	135.6
Landfill Diversion Rate		84%	83%	88%
Financial Expenditure	All Waste	£55,763	£48,767	£46,644

Table 4: Annual waste emissions, consumption & expenditure



Performance to Date

In 2017/18 the total waste disposal (landfill, recycling and waste to energy) decreased by 55 tonnes, equivalent to a 7.8 % decrease on 2016/17. The total volume of waste sent to landfill saw a 28% decrease from 12.7 tonnes in 2016/17 to 9.1 tonnes in 2017/18. Furthermore, the landfill diversion rate improved by 5% to 88%. This improvement means we are on track to achieve the target of 95% diversion rate by April 2020. One waste stream that increased in 2017/18 was confidential paper. This is likely due to the increased emphasis on ensuring that all potentially confidential documentation is disposed of appropriately. There is also the potential that non-confidential paper is being put in these bins. This has been address by improved signage and an evaluation of the location of confidential bins by local Green Champions to ensure that they are not situated beside printers which could lead to incorrect disposal.

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 40 offices at the end of 2017/18.

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 2017/18 colleagues across the organisation printed a total of 5.34 million sheets of paper, a decrease of 17.8% compared to 2016/17.

We continue to use 100% recycled 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.

Each April, a marketing review is undertaken to ensure that SDS is not overproducing material resources. This annual exercise has resulted in a 41% reduction in the number of print items in the warehouse between 2016 and 2018. There will be ongoing communications with colleagues to ensure there is awareness on what is available and their purpose to avoid overordering and misuse which can create a waste of resources. Furthermore, there will be pilot work in two offices to help identify areas for improvement in the stock process.

5. Employee Engagement

Ongoing colleague engagement on energy reduction and further development of the Green Champion Network continued to be an area of focus in 2017/18. We hold quarterly 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. For the first time, in 2017/18 a Green Champion survey was conducted to identify possible areas of improvement and the desired changes have been made to the Green Champion network as a result. For example, the Carbon Management Team have provided the Green Champions with more detailed guidance on how they can make a difference in their office.

To ensure all staff gain a fundamental knowledge of environmentally-friendly office behaviour and SDS's overall carbon management strategy an e-learning module is being developed which will become mandatory for all staff to undertake. We also

promoted various external campaigns amongst staff in 2017/18 including the Scottish Government's Climate Week 2017 and Sustrans' Scottish Workplace Journey Challenge to place further emphasis on environmental issues and to keep staff engaged with fresh messages.

6. Adaptation

SDS must also ensure that as an organisation we are aware of and are equipped to deal with the risks associated with climate change. The deployment of technology, such as laptops and online meeting capabilities, has been crucial for this as it creates flexible working conditions and increases our climate change adaptation capacity. The provision of laptops allows staff to work remotely from anywhere. 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.

7. 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 sustain a low carbon future. For example, SDS manages the transition training fund which provides funding to assist workers previously employed in the Oil and Gas Production and Extraction sector or the supply chain who were made redundant or are currently at risk of redundancy as a result of the economic downturn in the sector to undergo training, enabling them to seek alternative employment. By providing people made redundant or at risk with valuable resources such as careers advice and training SDS supports the Scottish Government's aim for a Just Transition away from a fossil fuel economy. SDS administers modern apprenticeships on behalf of the Scottish Government including MAs in Sustainable Resource Management and Wind Turbine Operations and Maintenance.

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-2017>

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 November 2018 and may be subject to change