Skills Development Scotland

Sustainability Report 2020-2021

December 2021

Contents

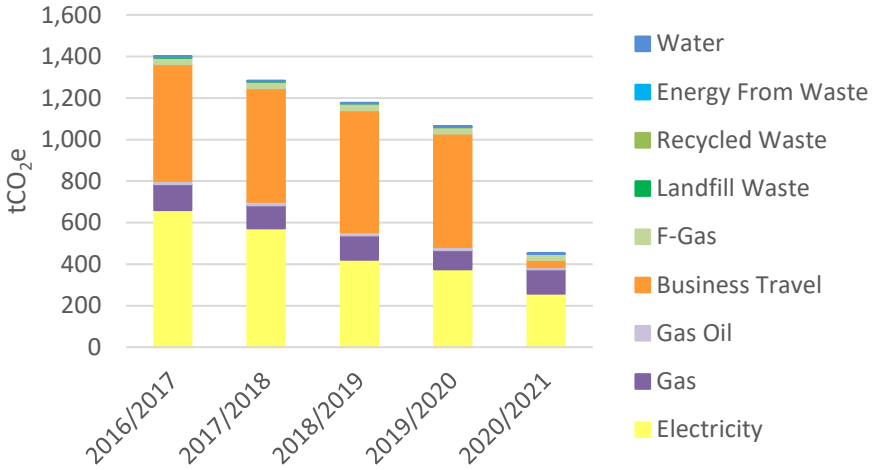
1. Introduction

The COVID19 pandemic had an impact across SDS in 2020/2021 in how we delivered our service externally and operated internally as an organisation. It also resulted in a significant reduction to our carbon footprint. Offices were closed for the majority of the year as most colleagues worked from home. More significantly, very little business travel took place.

In Skills Development Scotland's (SDS) Strategic Plan 2019-2022, one of the actions required to achieve Goal 4 is that we will *'Make efficient, effective and sustainable use of our resources'*. This Sustainability Report covers the financial year 2020/2021, providing a summary of our carbon footprint and how each part was impacted by the COVID19 pandemic, the development of our Climate Change Strategy, and the results of our Carbon Trust Standard recertification. Also included is a case study looking at emissions from home working energy use and commute travel.

2. Carbon Footprint and Reduction Target

Carbon Footprint



We measure our environmental impact through an organisational carbon footprint which allows for the setting of reduction targets and tracking our progress towards being a low carbon organisation.

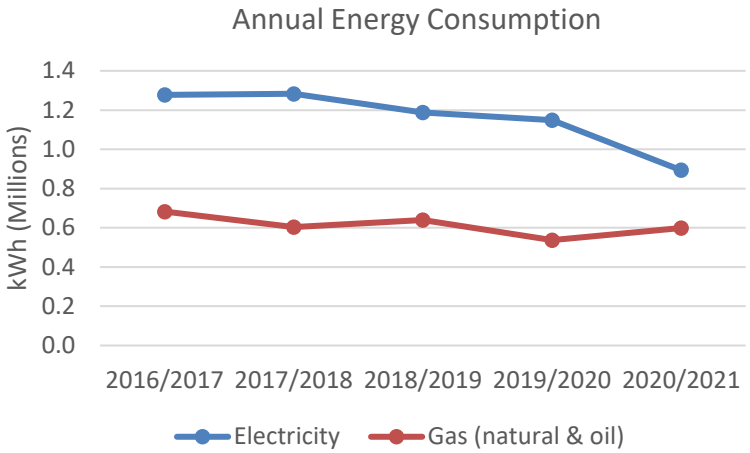
2020/2021 Reduction Target

In our Climate Change Strategy 2020-2030 we set out our ambition to be a net zero organisation by 2045, aligning with the Scottish Government. This will require a 67% reduction by

2030 on a 2019/2020 baseline, equating to 6.7% annually. As the carbon footprint graph above shows, due to the COVID19 pandemic our carbon footprint reduced dramatically by 58% in one year. The 2030 target remains at 67% as such a significant reduction is not a trend that will continue as we begin to recover from the pandemic.

3. Energy

To heat, cool and power our buildings across our estate we consume electricity and gas, which accounted for 83% of SDS's carbon footprint in 2020/2021. This is a significantly higher proportion compared to 2019/2020 due to the sharp fall in business travel as a result of the pandemic. In 2020/2021 we consumed 1.5 million kWh of energy, covering 39 sites where we are either billed directly or a breakdown is provided by the landlord. This is a reduction of 12% despite many of our sites being closed for the majority of the financial year. A key reason why this drop wasn't more significant is the geographical spread of our estate and a lack of remote access to the HVAC and boiler controls which meant some systems were running when not required, particularly gas boilers. Improving this through the investment in controls has been identified as a project to investigate going forwards.

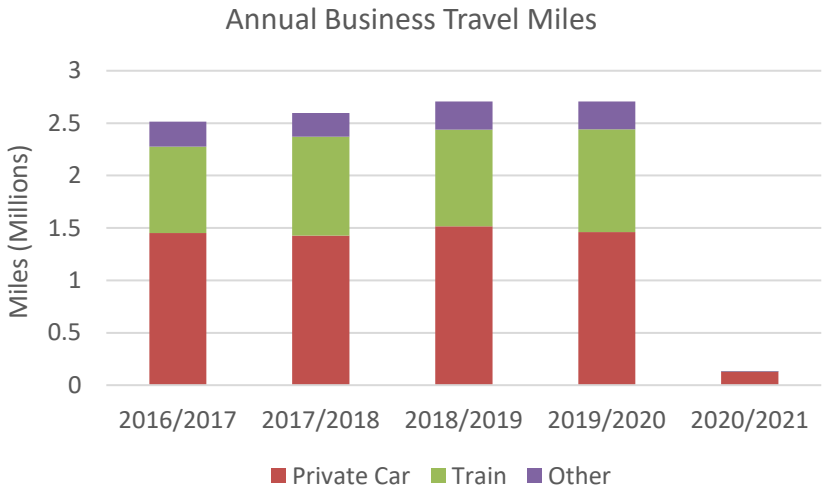


Due to pandemic related restrictions, no energy efficiency improvement projects were carried out during the report year.

4. Business Travel

At SDS, business travel has historically accounted for a significant portion of our carbon footprint, at 52% in 2019/2020. Business travel includes travelling to meet with clients and customers, to schools or colleges and to other SDS offices for face-to-face meetings with colleagues. With the pandemic this decreased dramatically as most staff moved to working from home full time, with a brief period between lockdowns where some CIAG colleagues returned to

offices. Essential travel was also undertaken by the Facilities team who were required to assess the buildings across the estate and ensure that they were being appropriately disinfected.



SDS must ensure that we use the lessons learned over this period and that colleagues continue to make the most of the improved availability and capability of our digital resources where possible while continuing to deliver an excellent service. This is essential if we are to meet our carbon reduction targets over the next 10 years and beyond.

The development of the Climate Change Strategy is an example of what is possible to achieve virtually. Nearly the whole development process, which included workshops with colleagues across SDS, was conducted using the early stages of Teams.

5. Case Study: Impact of Home Working

On March 23 2020, SDS colleagues switched to working from home in response to the COVID19 pandemic national lockdown. Prior to the COVID19 pandemic the main components of SDS's carbon footprint were business travel and office energy use. This switch in our way of working brough to light the importance of two other sources of emissions: commuting to work and energy used in private homes to undertake SDS work. These are both scope 3 indirect emissions and have not historically been included in SDS's footprint due to the comparative difficulty in calculating and influencing them compared to business travel and office energy use. Furthermore, prior to COVID19 working from home on a regular basis was not the norm for the vast majority SDS colleagues.

To understand the impact of the pandemic, these two sources

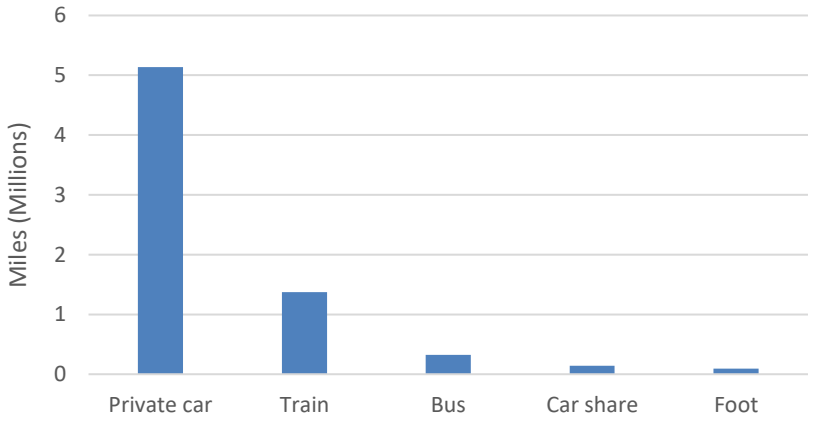
must be looked at in tandem: if a colleague is not commuting to their office base this means they are working from home using energy.

Commute Travel

Zero Waste Scotland (ZWS), in partnership with the Sustainable Scotland Network (SSN), are in the process of developing a simple-to-use commute survey tool for Scotland's public sector organisations. SDS was invited to pilot the tool in December 2020. The main purpose of this exercise was to provide feedback to ZWS and SSN on how user friendly the tool was so that improvements can be made prior to a future wider rollout. However, we also used this as an opportunity to estimate pre-covid SDS commute emissions. 33 colleagues from the Leading Change Forum and the Green Champion Network took part in trialling the tool.

The survey required respondents to provide information in a spreadsheet on the distance, transport mode, time and cost for commuting during an average working week for the financial year 2019/2020 i.e. pre COVID19. With data on the mileage and mode of transport a carbon footprint was estimated for each employee across a financial year taking into account annual leave and public holidays. The average commute emissions for the 33 respondents were then extrapolated for the 2019/2020 FTE. Although this is a significant extrapolation the geographical spread of respondents was reflective of SDS therefore for the purpose of this case study it still provides an indication of the emissions impact of commuting within SDS.

The survey estimated that SDS colleagues commuted 7 million miles in 2019/20, the majority (73%) by car. This equates to 1,331tCO_2e, nearly equivalent to the carbon footprint of business travel and energy consumption of the estate in 2019/20.



Once the commute tool is finalised, SDS will look to use it to include commute emissions in our carbon footprint in the future.

Home Working Energy Consumption

Working from home requires individuals to use personal energy in the form of lighting, powering computing equipment and heating during the colder months. Although homes are private spaces, the energy required to undertake the work is for SDS and can be considered as a source of indirect emissions also known as scope 3. To estimate these emissions, the methodology used was from a white paper published by the sustainability consultancy EcoAct in partnership with Lloyds Banking Group in direct response to the pandemic[1]. This methodology is based on the space of a home office rather than the full household.

Electricity: lighting & equipment

To undertake work from home, SDS colleagues use electricity for lighting and through the use of equipment namely laptops and a monitor. Some colleagues may use printers, but it is expected that this is not the norm therefore has not been included in the estimation below. Working hours takes into account annual leave and public holidays.

Lighting: 10W*FTE*Working hours per annum /1000 = 24,258kWh

Equipment (laptop and monitor): 65W*FTE*Working hours per annum /1000 = 157,677kWh

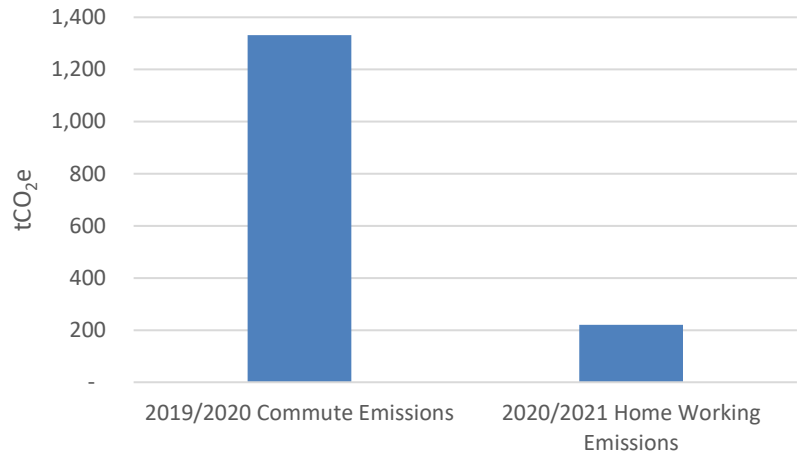
Total: 181,935kWh

Gas Heating

The majority of households in the UK use gas for heating therefore for the purpose of this methodology electric and oil heating are not accounted for. For this case study, gas heating is estimated to be used during 6 months of the year with half of the heating hours used during the working day. A full explanation of the steps to estimate gas heating can be found in the appendix.

[1] EcoAct Homeworking Emissions **Whitepaper**

Comparison



This graph shows that although working from home in 2020/2021 was responsible for 220tCO_2e this is outweighed by the 1,330tCO_2e that would usually have resulted from commuting.

As previously stated, these emission sources are at present not included in SDS's carbon footprint. However, it is important going forwards that their inclusion is considered in light of a move towards a more hybrid working model and the expected update and launch of the commute survey tool.

6. Climate Change Strategy

Throughout 2020/2021, the Carbon Management and Corporate Planning teams led on the development of SDS's first 10-year Climate Change Strategy with input from colleagues across the organisation. After holding all colleague engagement calls and a senior leadership workshop in late 2019 and early 2020, a further three in-depth engagement sessions were held with key colleagues in summer 2020 to inform the detail of the strategy ambitions within four workstreams: Supporting a Green Economy, Digital Capability, Business Processes and Organisational Culture. Each workstreams has several long-term high-level ambitions to be achieved over the next 10 years.

'Our aim by 2030, is to be a lead contributor to a low carbon, inclusive and sustainable economy in Scotland, and on track to becoming a net zero organisation.'

The strategy was signed off by the Directors Group as well as the Executive Board and published in December 2020. After publication, further consultation with colleagues across all Directorates took place to create the first of five two-year

incremental action plans to track all relevant actions relating to the strategy's ambitions. An Implementation & Monitoring Group consisting of action owners from across SDS will meet every six months to capture progress on each action and identify any mitigation required. At the end of each two-year period a summary report will be published, capturing progress across the workstreams. The next two-year action plan, covering 2023 and 2024 will be developed at this point.

7. Colleague Engagement

'Life at SDS: Environment' is the banner for communication with colleagues on SDS's activity to address climate change and what they can do to get involved.

Through our aim to be a low carbon organisation we highlight actions colleagues can take in their work and private lives to have a positive environmental impact. In 2020/2021 SDS engaged with colleagues on climate change through four main channels:

- Updating information on the Sustainability Connect area, including the design of two 'Top Tips' infographics on maintaining green habits and environmentally conscious meetings and events to provide easily digestible and shareable snapshots of advice.
- Launching the new Green Champion Network which involves members from across all teams in SDS rather than by office as previously structured. This restructuring of the network leads to key messages reaching more colleagues from all parts of the organisation. The group meets every quarter with members given the opportunity to suggest agenda items.
- Promoting the annual Climate Week campaign with a particular focus on COP26, including Connect articles and a blog post from the Head of Climate Emergency and High Value Manufacturing.
- Generating discussions on the 'Life at SDS: Environment' Yammer with colleagues across the organisation on broader environmental issues, encouraging peer-to-peer knowledge exchange.

The SDS Youth Board, founded during the Year of Young People in 2018, chose climate change as one of their focus areas for the second consecutive year. This included the creation of a subcommittee who have engaged with the wider colleague base on environmental sustainability through actions such as holding a webinar on Sustainable Homeworking and were involved in the consultation and review process for SDS's new Climate Change Strategy.

8. Carbon Trust Standard

In August 2021 SDS successfully recertified with the Carbon Trust Standard for the fifth time, achieving a score of 91%, our highest score to date. This covered the period April 2019 – March 2021.

This Standard is an internationally recognised accreditation which recognises organisations for demonstrate leadership in measuring, managing and reducing their environmental impact. SDS scored the highest in our sector, which for the Carbon Trust Standard is Professional Services, achieving 100% in sections on Policy, Responsibility, Customer Engagement and Staff Engagement.

9. Appendix

Home Working Gas consumption calculation steps:

- Total household gas consumption/year = 12,000kWh
- Gas used for heating/year[2] = 9,240kWh
- Workspace consumption/year[3] = 2,406kWh
- Heating months Oct-March (182 days) = 13kWh per day
- Average home heats for 10 hours per day[4] = 1.3kWh per hour
- Estimate heating is on for half a working day = 5.3kWh per working day
- SDS employee working days Oct-Mar[5] = 152,162 days

Total estimated gas consumption from home working = 804,700 kWh

[2]Medium consumption estimate used https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/386858/Estimates_of_heat_use.pdf

[3] ONS average household floorspace divided by WSP report 25m^2 home working estimation

[4] EcoAct Homeworking emissions Whitepaper

[5] Takes in to account the CIAG staff not working from home every day during this period