

Scottish Futures Trust
SUSTAINABILITY REPORT 2022/23

Contents

Executive Summary

Introduction

Performance Commentary and Targets

Greenhouse Gas Emissions

Other Environmental Impacts

Social Impacts

Economic Impacts

Climate Change Adaptation

Carbon Offsetting

EXECUTIVE SUMMARY

This Sustainability Report details SFT’s environmental impact and associated financial costs. The environmental impact of the programmes which we manage are accounted for by the organisations which have budgetary control of the projects within these programmes – more details of which can be found within our [Outcomes Report](#) and individual programme reporting structures.

SFT recognises the importance of sustainability and the duties placed on it under the Climate Change (Scotland) Act with many of our work streams supporting the transition to a net zero carbon economy – examples include Place and Asset Strategy activities which encourage collaboration across the public sector to optimise utilisation of public sector assets and total footprint; digital connectivity which brings long term benefits to rural areas; the Learning Estate Investment Programme (LEIP), which sets exemplary performance outcomes for both operational and embodied carbon; and Net Zero Teams’ programmes across electric vehicle charging, decarbonisation of the public sector estate, heat decarbonisation, and the Net Zero Public Sector Buildings Standard (“the Standard”).

During the year ended 31 March 2023, our emissions per full time equivalent (FTE) employee rose compared to last year, as we had increased access to our office and were able to step up our business travel as we moved beyond the COVID pandemic. However, total emissions were on target and remained considerably lower than before COVID, as detailed within the table below:

Scope and Area	Emissions (tCO ₂ e)			
	2022-23	2021-22	2020-21	2019-20
Total Emissions	20.1	9.7	3.2	76.4
Average FTE employees per annum	66.0	72.0	70.0	72.0
Total Emissions per FTE	0.3	0.1	0.0	1.1
Rolling 4-Year Emissions per FTE	0.4	0.6	0.9	1.2

We measure our carbon emissions in tonnes of carbon dioxide equivalent (tCO₂e). At 20.1 tCO₂e, SFT’s 2022/23 emissions were 20.1% lower than 2019/20’s 76.4 tCO₂e emissions, but two times higher than last year’s 9.7 tCO₂e. As with last year, our emissions per FTE employee remained considerably lower than 2019/20’s 1.1 tCO₂e per employee. The rolling four-year average emissions per FTE remained below 1 tCO₂e per employee. This analysis includes the significant impact on emissions caused by the company working remotely in both the current and previous years and travelling infrequently throughout the reporting period due to the ongoing change in working patterns since the recovery from the COVID pandemic. Increases since last year arose from a continuation in return to working in the office and travel to in-person events since the lifting of COVID restrictions and are not of concern.

This year’s report records that:

- We have achieved our key target of reducing our rolling four-year emissions to below 1.65 tCO₂e per FTE. It has remained below 1.5 tCO₂e per FTE for the seventh year running
- We have exceeded our target of consolidating our emissions at below 1.0tCO₂e per FTE
- Our volumes of recycling and waste sent to landfill continue to be low, attributable to the low occupancy of the office

- Our emissions from business travel continue to be significantly below pre-pandemic figures
- We had undertaken to adopt a suitable carbon offsetting strategy for our UK mainland flights this year. Due to restrictions in response to COVID, few flights have been taken since March 2020. We had planned to adopt and report upon our selected offsetting schemes at the end of 2022. However, we found that our emissions from flights fell below the threshold at which carbon offsets were available to purchase from our chosen scheme. We will continue to review our strategy to reduce and offset emissions from flights. In the meantime, we will continue to report the Scope 2 electricity emissions within our carbon footprint. Once our offsetting strategy is in place, we will report our Renewable Electricity of Guaranteed Origin certificate and associated energy source reporting we receive from our supplier EDF, as part of offsetting activities.

In 2023/24, SFT's objective is to:

- Thistle Street – from 1st April to mid-October
 - for the first half of the year, SFT expects its carbon footprint to remain significantly lower than the consolidated metrics due to the continued impact of the post COVID world
 - consolidate our environmental impact at 1.5 tCO₂e per FTE (pro-rata for the period)
 - maintain our rolling four-year average emissions at or below 1.65 tCO₂e per FTE
 - encourage staff to avoid flying in favour of public transport, where business and personal commitments allow
 - review the suitability for SFT of formal and informal offsetting options for carbon emissions arising from essential mainland UK flights
- Thistle House – from mid-October (occupancy start) until 31st March 2024
 - for the second half of the year, SFT plans to develop an understanding of how to use our new office to minimise our environmental impacts and optimise business and wellbeing outcomes
 - collect baseline emission data
 - develop ideas and initiatives to promote wellbeing and environmental performance
 - integrate our occupancy and indoor environmental quality monitoring tactics into our sustainability strategy
 - develop sustainability targets to apply in 2024-5

INTRODUCTION

The Scottish Government's sustainability strategy encourages both private companies and public bodies to disclose their sustainability and environmental performance information. This report details SFT's performance.

The quantitative element of this report addresses our office premises in Edinburgh. Wider sustainability impacts, including our influence upon the impacts of the public sector in Scotland are addressed qualitatively.

SFT has negligible direct (scope 1) emissions, as it neither owns nor operates any boilers or vehicles and its cooling equipment is free from refrigerant leaks. We do, however, use electricity which falls mainly under scope 2 (indirect). All other emissions arising from SFT's activities are classed as scope 3 (indirect).

This report records our scope 2 emissions and our key scope 3 emissions for the financial year 2022/23, calculated in accordance with the Climate Change Duties Reporting methodology introduced in 2015. However, the full reporting format is not applicable to SFT, as we are not a 'Major Player' and this report follows a bespoke, simplified format, appropriate to both voluntary reporting and the scale of our impacts.

PERFORMANCE COMMENTARY AND TARGETS

Under the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020, additional annual reporting requirements came into effect, with a deadline of 30th November 2022. We established a process to meet those additional annual reporting requirements that are applicable and proportionate to our voluntary reporting context, as follows:

- *Zero Direct Emissions from Heating, Cooling and Air Conditioning*
 - o SFT has no direct emissions, and heating to our lettable area is unmetered. We have estimated the emissions arising from gas use to be approximately 23% of the landlord's invoiced gas use, amounting to 11 tCO₂e in 2022/23 (based upon a pro rata split by lettable area). We have not reported upon gas use in the past and despite our plan to do so, will not include this in our quantitative reporting for 2022/23, as we will be leaving our current premises by autumn and hence will not be in a position to put targets or improvements in place.
- *Targets for reducing indirect emissions*
 - o In 2022/23, our objectives were to consolidate our environmental impact at 1.5tCO₂e per FTE and to maintain our rolling four-year emissions at or below 1.65tCO₂e per average FTE. Both objectives were met
 - o In 2022/23, SFT's objective is to continue to consolidate our environmental impact at 1.5 tCO₂e per FTE and to maintain our rolling four-year average emissions at or below 1.65 tCO₂e per FTE
 - o SFT expects that its carbon footprint in 2022/23 will be significantly higher than in the current year and that consolidating it below 1.5 tCO₂e per FTE will be an appropriate level of challenge
 - o Due to the impact of the response to the COVID pandemic, in the current and previous reporting periods, it is highly likely that our rolling four-year average emissions will remain on target in 2023/24

- *Alignment of spending plans and use of resources to contribute to reducing emissions and delivering its emissions reduction targets*
 - Currently SFT Staff have a growing awareness of the need to consider Low Carbon options when procuring, and we will continue to reinforce that in future updates of our Procurement Policy
- *Making our reports and progress towards targets publicly available*
 - We publish our accounts and Sustainability Report and will continue to review the suitability of this approach

Recycling

Our 2022/23 recycling target was to continue to increase recycling rates. Unfortunately, both our waste arisings and our non-construction recycling have increased compared to last year. Both remain below 2019/20 pre-pandemic levels, due to staff access to the office being restricted. However, the proportion of waste that is recycled was only 55% this year, compared to 62% in 2019/20.

Electricity

Electricity use per employee was 361 kWh/ employee, approximately half of the 790 kWh/ employee in 2019/20 and 20% higher than the 306 kWh/employee last year, due to the office continuing to grow in accessibility to staff this year. Emissions per employee were 0.1 tCO₂e/ employee.

Business Travel

Emissions arising from business travel remain low by both absolute and relative metrics compared to pre-pandemic levels. The increased opportunity to travel in 2022/23 compared to last year has led to a 3.5-fold increase in travel-related emissions. However, at approximately one third of 2019-20 emissions, this is not a concern.

GREENHOUSE GAS EMISSIONS (GHG)

Table 1 quantifies our total GHG emissions in terms of tonnes of carbon dioxide equivalent emissions. It shows the total impact and the impact per FTE employee.

As we sub-lease office accommodation, key emissions are indirect and controlled by third parties. This relates to the heating energy use, water use and electricity use in circulation areas, for which emission data is unavailable. Consequently, they are omitted from this report.

Table 1: Summary of SFT's Total Greenhouse Gas Emissions

Scope and Area		Emissions (tCO ₂ e)			
		2022-23	2021-22	2020-21	2019-20
Scope 1	Refrigerant Leaks	negligible	negligible	negligible	Negligible
Scope 2	Electricity	4.6	4.7	2.5	1.2
Scope 3	Business Travel	15.0	4.2	0.5	74.1
	Waste & Recycling	0.3	0.4	0.0	1.1
	Electricity (T&D)	0.4	0.4	0.2	1.2
Total Emissions		20.3	9.7	3.2	76.6
Average FTE employees p.a.		66.0	72.0	70.0	72.0
Total Emissions per FTE		0.3	0.1	0.0	1.1

Further details on SFT's greenhouse gas emissions are noted below:

Scope 1 Emissions

Refrigerants

Refrigerant leakage is the only potential scope 1 emission source at our offices. However, our cooling systems are small, sealed, serviced quarterly and therefore have a low risk of leakage. Consequently, scope 1 emissions are estimated to be negligible and are omitted from this report.

Scope 2 Emissions

Office Electricity

SFT leases office accommodation in the centre of Edinburgh, with an EPC rating of C+. Our heating is provided by the landlord as part of the lease cost and our heating energy use is unmetered. Similarly, lighting and power within landlord areas are unmetered. These unmetered energy sources are omitted from this report. However, all electricity use within our office is metered and is covered by this report.

Table 2 discloses metered electricity consumption, emissions and costs but excludes heating and electricity use in landlord areas. Electricity consumption data is taken from invoices, which may include estimated values. For 2022/23, consumption is calculated from supplier estimated reading on 31st March 2022 and a Customer Reading taken on 30th March 2023. The supplier estimate on 31st March was compared to the most recent meter reading on 14th April 2023 and considered to be an

appropriate estimate. Expenditure on electricity is estimated from the calculated consumption, applying the rates of unit charge and standing charge of the April 2023 invoice.

Table 2: SFT's Total SFT Office Electricity Consumption, Cost and Emissions

Area	Total Impact of Electricity Use			
	2022-23	2021-22	2020-21	2019-20
Electricity Scope 2 emissions (tCO ₂ e)	4.6	4.7	2.5	1.2
Electricity consumption (kWh)	23,842	22,064	10,733	56,915
Electricity expenditure (£)	£6,032	£5,700	£1,299	£7,495

Table 3 shows electricity consumption, emissions and costs per employee over the same period. For the third year running, we report Scope 2 emissions from electricity on a location basis in the table above, rather than a market basis. Consequently, although our electricity consumption (kWh) is less than half of 2019/20's, our emissions are over twice those of 2019/20. In the future, we will continue to report on a location basis, with market basis reporting appearing under our Carbon Offsetting activities.

Table 3: SFT's Electricity Consumption, Cost and Emissions per Employee, Trend 2019-23

Area	Impact per Employee of Electricity Use			
	2022-23	2021-22	2020-21	2019-20
	FTE: 66	FTE: 72	FTE: 70	FTE: 72
Electricity Scope 2 emissions per employee (tCO ₂ e/FTE)	0.070	0.071	0.039	0.033
Electricity consumption per employee (kWh/FTE)	362	306	153	790
Electricity expenditure per employee (£/FTE)	£91	£79	£19	£104

Scope 3 Emissions

Electricity Transmission and Distribution

Emissions arising from electricity consumption in the office are reported under Scope 2. However, the Scottish Government's reporting requirements, also requires emissions associated with transmissions and distribution of electricity to be reported under Scope 3. 2021/22 Electricity T&D Scope 3 emissions were 0.4 tCO₂e, the same as last year. This compares to 1.2 tCO₂e in 2019/20 – a cut of over 80%.

Business Travel

SFT's staff policy is to make use of digital communication technologies to reduce the need to travel and when travel is necessary to prioritise the use of public transport for business travel whenever

possible and safe to do so. This year total mileage and carbon emissions from travel are 3.5 times higher than last year but remain approximately one third of pre-pandemic levels. Details of carbon emissions arising from staff business travel are included in Tables 4 and 5.

Table 4 details the absolute carbon emissions from each mode of business travel and indicates an increase from 4.2 tCO₂e in 2021/22 to 15.0 tCO₂e this year. This is due to the welcome return of more in-person activities. However, travel emissions remain low compared to 2019-20 and pre-COVID levels of in-person activities.

Table 4: Breakdown of Business Travel Mileage and Emissions by Travel Mode and Year

Travel Mode	Miles		tCO ₂ e	
	2022-23	2021-22	2022-23	2021-22
Car	29,266	9,859	6.920	2.331
Train, Tram, Bus	35,481	6,341	2.041	0.367
Taxi	223	135	0.115	0.069
Air Travel	19,408	4,347	5.974	1.423
Total	84,378	20,682	15.050	4.190*

*Note that travel emissions reported as 2.3 tCO₂e in 2021/22 are corrected in this, 2022/23 report

Table 5: Business Travel Mileage and Emissions per Employee – Breakdown by Mode and Year

Travel Mode	Miles per Employee		tCO ₂ e per Employee	
	2022-23	2021-22	2022-23	2021-22
Car	406	137	0.105	0.035
Train, Tram, Bus	493	88	0.031	0.006
Taxi	3	2	0.002	0.001
Air Travel	270	60	0.091	0.022
Total	1,172	287	0.228	0.063

Waste and Recycling

Regular waste arisings and recyclable materials are collected from our offices by a third party, ChangeWorks. They provide good quality data on the quantity of waste and recyclable materials collected from us and we apply emission factors published by BEIS to calculate our emissions. In 2021/22, we reported on minor construction works in our office, which gave rise to 1,000 kg of wood which our specialist contractor arranged to have recycled. This year our total emissions arising from waste and recycling activities are similar to last year. However, excluding construction works, our total waste and recycling emissions are higher and our recycling rates lower.

Table 6: Waste and Recycling Emissions and Emissions per Employee – Breakdown by Material & Year

Waste Arising	Emissions (tCO ₂ e)		Emissions per Employee (tCO ₂ e/FTE)	
	2022-23	2021-22	2022-23	2021-22
Waste – Landfill	0.312	0.137	0.005	0.002
Recycling	0.018	0.226	0.000	0.003
Total	0.331	0.363	0.005	0.005

Water

Water is provided by the landlord on an unmetered basis and is not quantified in this report. Carbon emissions arising from water use are estimated to be low compared with our electricity and travel emissions. Nonetheless both SFT and the landlord have invested in water conservation measures prior to moving into the premises. This included WC and urinal flush controls and dishwashers.

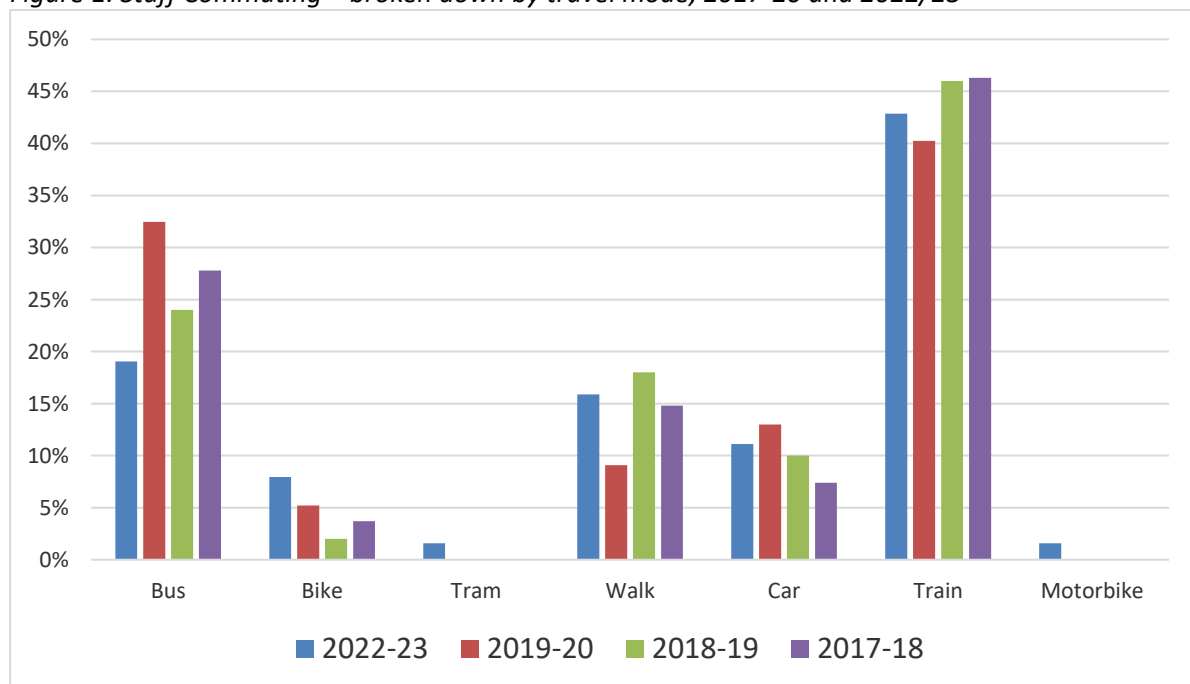
Natural Gas

Heating is provided by the landlord on an unmetered basis and is not quantified in this report. However, as the building is heated by a central heating system comprising a gas-fired boiler and radiators, carbon emissions arising from heating are significant. The landlord’s total gas use and cost were approximately 273,419 kWh and £29,956 in 2023. SFT occupies approximately 23% of the floor area of the building, so on a pro rata basis, impacts from natural gas use from heating amount to 62,172 kWh, £6,812 and 11.35 tCO₂e. The emissions amount to over 50% of SFT’s total footprint and are second only to business travel in scale.

Staff commuting

SFT offices are based in the centre of Edinburgh which encourages staff (and visitors) to use the excellent public transport links. As we do not have direct control over emissions from staff commuting, they are not accounted for within our disclosed emissions. However, we have resumed tracking of commuting patterns as staff have been commuting to the office every week for most of the reporting period.

Figure 1: Staff Commuting – broken down by travel mode, 2017-20 and 2022/23



OTHER ENVIRONMENTAL IMPACTS

Other environmental impacts such as biodiversity and sustainable procurement with respect to the operation of our office are not of a scale to be considered material. Our influence upon the biodiversity and sustainable procurement impacts of the public sector in Scotland are considered on a project-specific basis. They can be considerable and, where appropriate to projects and Authorities' requirements, are reported in our annual Outcomes Report.

SOCIAL IMPACTS

SFT operates a flexible approach to remote working and responds to employees' requests for part time and compressed hours working in support of family and other commitments. SFT also provides two days paid leave each year for employees to support community initiatives which has a positive impact across a range of community projects and charities. Our influence upon the social impacts of the wider public sector is addressed on a project-by-project basis. Through our role in procurement mechanisms, such as hub and the Non-Domestic Energy Efficiency Framework, tenderers are required to include commitments to provide community benefits, including positive local environmental, social and economic impacts. SFT's approach to delivering social impact through construction projects is detailed in our [Community Benefits Toolkit](#) and is supplemented by the hub Measuring Social Impact Guidance.

ECONOMIC IMPACTS

SFT - Expenditure upon energy, waste and business travel

Table 6 discloses the level of expenditure on activities within the scope of this Sustainability Report where it is available i.e. it excludes costs included within our lease agreement for water charges, heating costs and electricity charges associated with landlord areas.

Table 7: SFT's Total Expenditure Relating to Utilities, Waste and Travel

Area	Expenditure			
	2022-23	2021-22	2020-21	2019-20
Electricity	£6,032	£5,700	£1,299	£7,495
Business Travel	£13,379	£3,942	£306	£60,899
Waste & Recycling	£3,475	£2,871	£4,101	£5,767
Totals	£22,886	£12,513	£5,706	£74,161

Our total costs remain significantly lower than in 2019/20, due to the continued move to a post-pandemic world. Business Travel is the highest single area of expenditure in the report, amounting to approximately three times last year's travel costs. However, it remains less than a quarter of 2019/20's expenditure.

Other economic impacts in Scotland's economy

SFT is committed to saving taxpayers' money and works with the public sector to deliver the best possible value both where money is being invested in infrastructure and in the use of the existing

public-sector asset base. Details of our wider economic impact are detailed on our website within our Annual Reports and Outcomes Reports.

CARBON OFFSETTING

SFT have reviewed a number of carbon offsetting options and earlier in the reporting period, engaged with [Trees for Life](#). One of the options available via Trees for Life is their Affic Highlands scheme which is based on the conviction that nature, people and businesses need each other to be sustainable for the long term, these common interests can be the basis of a progressive and shared agenda to strengthen the local economy and enrich lifestyles in communities. SFT had estimated between 40-50 tonnes of CO₂ is generated through air travel activities in a typical year and planned to offset against this accumulated tonnage at a cost of £40 per tonne. Unfortunately, we have been unable to secure these carbon offsets without scaling up the volume secured in a single purchase. In light of this, we have decided that we will not go ahead with this purchase and our carbon offsetting strategy should remain under review.

In 2022/23, SFT continued to meet its electricity supply needs from a 100% renewables tariff, including both the energy sources and the Renewable Energy of Guaranteed Origin (REGO) certificates. Whilst we quantify our emissions arising from electricity consumption on the basis of UK grid emission conversion factors when calculating our carbon footprint in this report, we will include the 4.6 tCO₂e of Scope 2 electricity emissions once our reporting on carbon offsetting activities starts, providing that is consistent with our carbon offsetting strategy.

It is not known at the time of publishing this report whether SFT will continue to have independent electricity supply arrangements at our new office at Thistle House, which will support a continuation of the current purchasing of REGO electricity and certificates. We will develop our electricity purchasing and emissions reporting strategy once we have had the opportunity to investigate the options available at our new home.

CLIMATE CHANGE ADAPTATION

We take the risk of interruption of our business very seriously, including the risks presented by increased frequency and severity of adverse weather events attributable to climate change. These are covered by our procedures included within our Business Continuity and Emergency Plan. Our Information and Communication Technology Policy includes robust provisions to minimise the disruption to business caused by severe weather conditions through facilitating off-site working. Most of our staff are used to working remotely and our policy of minimising the need to travel through homeworking, video conferencing and other telecommunication alternatives to face to face meetings assist us to minimise business disruption in the event of severe weather conditions and were invaluable in supporting our response to the COVID pandemic.