SCOTTISH FUTURES TRUST

Scottish Futures Trust
SUSTAINABILITY REPORT 2018/19
25th July 2019

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 Benefits Statement 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 move to a low carbon economy – examples include digital connectivity which brings long term benefits to rural areas and our low carbon programmes across street lighting, the low carbon infrastructure transition programme, non-domestic energy efficiency and district heating.

During the year ended 31 March 2019, our emissions per full time equivalent (FTE) employee have fallen as detailed within the table below:

Scope and Area	Emissions (tCO_2e)			
	2018/19	2017/18	2016/17	2015/16
Total Emissions	**81.2**	**95.6**	**103.3**	**105.2**
Average FTE employees per annum	70	72	71	69
Total Emissions per FTE	**1.2**	**1.3**	**1.5**	**1.5**
Rolling 4-Year Emissions per FTE	**1.4**	**1.5**	**1.6**	**1.7**

We measure our carbon emissions in tonnes of carbon dioxide equivalent (tCO_2e). SFT's emissions fell by 15% from 95.6 tCO_2e in 2017/18 to 81.2 tCO_2e in 2018/19. Emissions per FTE employee decreased from 1.3 to 1.2 tCO_2e in the period and the rolling four-year average emissions per FTE also decreased.

This year's report records that:

- We have achieved our key target of reducing our rolling four-year emissions to below 1.65 tCO_2e per FTE for the fourth year running.
- We have exceeded our target of consolidating our emissions at 1.5tCO_2e per FTE.
- We have nearly halved the volume of waste sent to landfill by reducing the number of bins in the office and increasing the number of recycling receptacles. In addition to this reuse and other staff-initiated waste minimisation actions have decreased recycling volumes by 7%.
- Emissions from electricity use has reduced per FTE employee for the second consecutive year. This is due to sourcing all electricity in the period from a supply with formal Renewable Energy Guarantee of Origin (REGO) certification, compared to partial supply last year. Absolute electricity use has fallen, but there has been a 2.5% increase in electricity use per employee reflecting the decrease in average FTE employees.
- Our emissions from business travel have decreased from 86 $tC0_2e$ in 2017/18 to 79 $tC0_2e$ in 2018/19, this is despite including additional emissions arising from 'Well to Tank' considerations introduced this year. The level of travel reflects business needs which can fluctuate year on year in terms of both distance travel and mode of travel.

In 2019-20, SFT's objective is to continue to consolidate our environmental impact at 1.5 tCO_2e per FTE and to maintain our rolling four-year average emissions at or below 1.65 tCO_2e per FTE. This is within the context of increasing utilisation of the office due to increasing numbers of inward secondees supporting our programmes.

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 2018/19, 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

Total Greenhouse Gas Emissions

Our 2018/19 objectives were to stabilise our carbon emissions per employee at 1.5 tCO_2e and to reduce our four-year rolling average emissions to below 1.65 tCO_2e. Both objectives were met.

In 2019/20, our objective is to consolidate our environmental impact at 1.5tCO_2e per FTE and to maintain our rolling four-year emissions at or below 1.65tCO_2e per average FTE.

Recycling
Our 2018/19 recycling target was to continue to increase recycling rates. We have achieved this by reducing all waste arisings in the office, leading to an increase in our recycling rate as a proportion of total waste arisings from 45% to 60%.

Electricity
Electricity use per employee increased by 2.5% from 780 kWh/ employee in 2017/18 to 800 kWh/ employee in 2018/19 reflecting the decrease in average FTE employees. However, our emissions from electricity decreased to zero due to the supply of zero-emission electricity with a Renewable Energy Guarantee of Origin certificate applying to the full year this year, compared to only part year in 2017/18.

Business Travel
Emissions arising from business travel have fallen by both absolute and relative metrics. Our total travel related carbon emissions per FTE employee remain at 1.2 $tC0_2e$ / employee. All forms of travel mileage and emissions fell, with the exception of taxis which rose by approximately 17% but remains the smallest (near negligible) source of transport emissions.

GREENHOUSE GAS EMISSIONS

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_2e)			
		2018/19	2017/18	2016/17	2015/16
Scope 1	Refrigerant Leaks	negligible	negligible	negligible	negligible
Scope 2	Electricity	0.0	8.3	22.4	22.2
Scope 3	Business Travel	79.4	85.5	78.9	81.0
	Electricity (T&D)	1.8	1.8	2.0	2.0
Total Emissions*		**81.2**	**95.6**	**103.3**	**105.2**
Average FTE employees p.a.		**70**	**72**	**71**	**69**
Total Emissions per FTE		**1.2**	**1.3**	**1.5**	**1.5**

*Note that emissions arising from waste disposal and recycling are omitted

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. Checks against 6 monthly meter readings shows this to be within 1% of the average daily use.

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

Area	Total Impact of Electricity Use			
	2018/19	2017/18	2016/17	2015/16
Electricity emissions Scopes 2&3 (tCO_2e)	1.8	10.1	24.2	24.2
Electricity consumption (kWh)	55,972	56,167	54,372	53,860
Electricity expenditure (£)	£8,058	£6,422	£7,433	£9,962

Table 3 shows electricity consumption, emissions and costs per employee over the same period. It shows a trend of decreasing impact for electricity emissions per employee. However, the cost of electricity has risen, reflecting the terms of the REGO electricity contract.

Table 3: SFT's Electricity Consumption, Cost and Emissions per Employee, Trend 2014-18

Area	Impact per Employee of Electricity Use			
	2018/19	2017/18	2016/17	2015/16
	FTE: 70	FTE: 72	FTE: 71	FTE: 69
Electricity emissions per employee (tCO2e/FTE)	0.0	0.1	0.3	0.4
Electricity consumption per employee (kWh/FTE)	800	780	766	781
Electricity expenditure per employee (£/FTE)	£115	£89	£105	£144

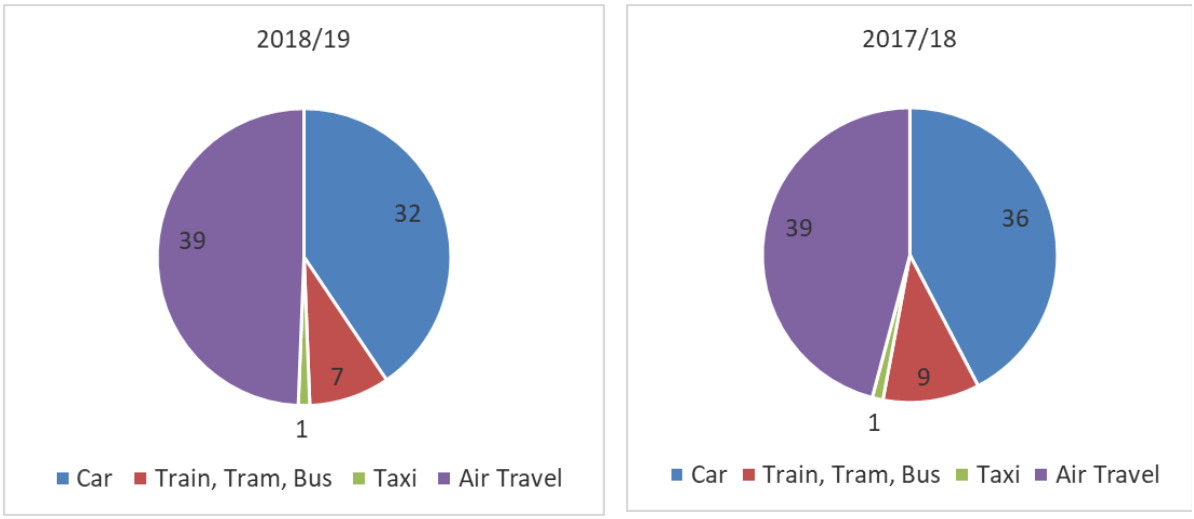
Scope 3

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. This year carbon emissions from travel have decreased. Details of carbon emissions arising from staff business travel are included in Figure 1 and Tables 4 and 5 overleaf.

The charts in Figure 1 detail the absolute carbon emissions from each mode of business travel and indicate a decrease from 85 tCO_2e in 2017/18 to 79 tCO_2e in 2018/19. This has been achieved by a reduction in all forms of travel, with the exception of taxis, which account for less than 1% of travel mileage and emissions.

Figure 1: Breakdown of Business Travel Emission (tCO_2e) by Mode of Travel, 2018/19 (79 tCO_2e) and 2017/18 (80tCO_2e).



The total miles travelled by all modes of transport combined has fallen by 14% and emissions have fallen by 7%.

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

Travel Mode	Miles		tCO_2e	
	2018/19	2017/18	2018/19	2017/18
Car	110,645	125,007	32	36
Train, Tram, Bus	96,922	118,699	7	9
Taxi	2,746	2,339	1	1
Air Travel	84,863	97,378	39	39
Total	**295,176**	**343,423**	**79**	**85**

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

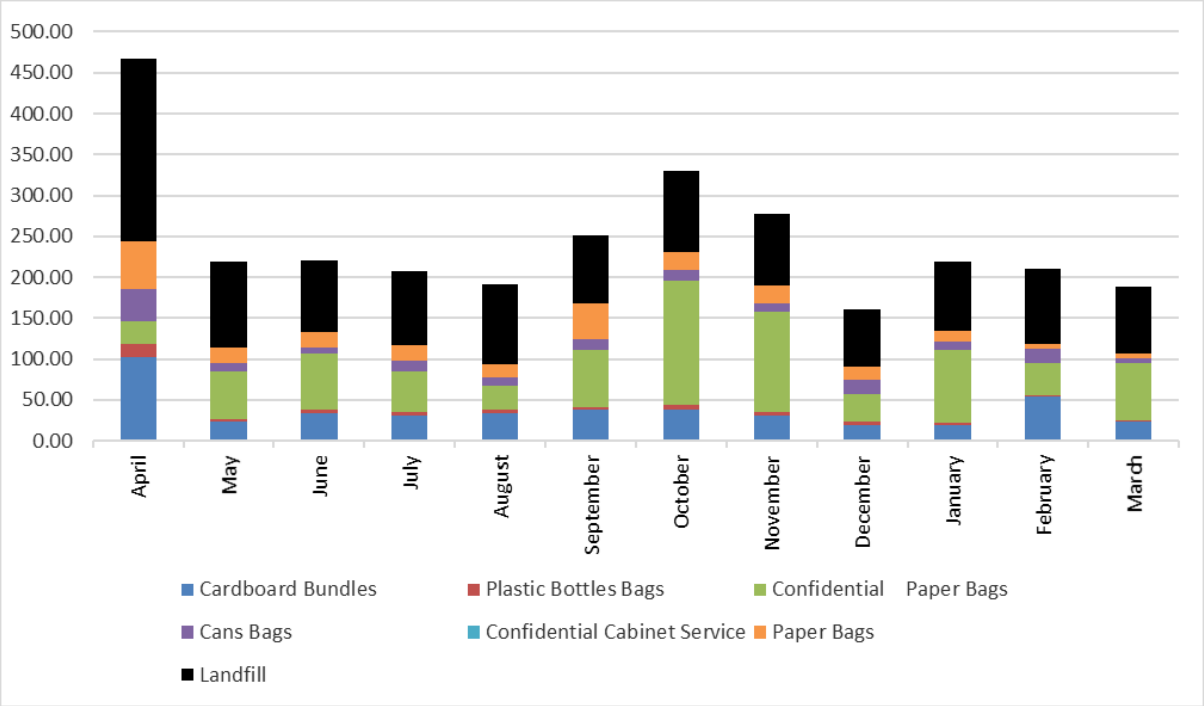
Travel Mode	Miles per Employee		tCO_2e per Employee	
	2018/19	2017/18	2018/19	2017/18
Car	1,581	1,761	0.5	0.5
Train, Tram, Bus	1,385	1,672	0.1	0.1
Taxi	39	33	0.0	0.0
Air Travel	1,212	1,372	0.6	0.5
Total	**4,217**	**4,838**	**1.2**	**1.2**

Waste and Recycling

Waste and recyclable materials are collected from our offices by a third party, ChangeWorks. They provide good quality data on the quantity of recyclable materials collected from us and diverted from landfill, consistent with Zero Waste Scotland's Carbon Metric. Our emissions diverted from landfill by recycling activities have increased from 1.2 tCO_2e in 2017/18 to 1.7 tCO_2e this year.

We report upon our six categories of recyclable waste and one category of general waste sent to landfill in Figure 2 below. The chart illustrates that the dominant aspect of recycling is confidential paper.

Figure 2: Emissions Averted by Monthly Recycling Component & Emissions from Waste to Landfill



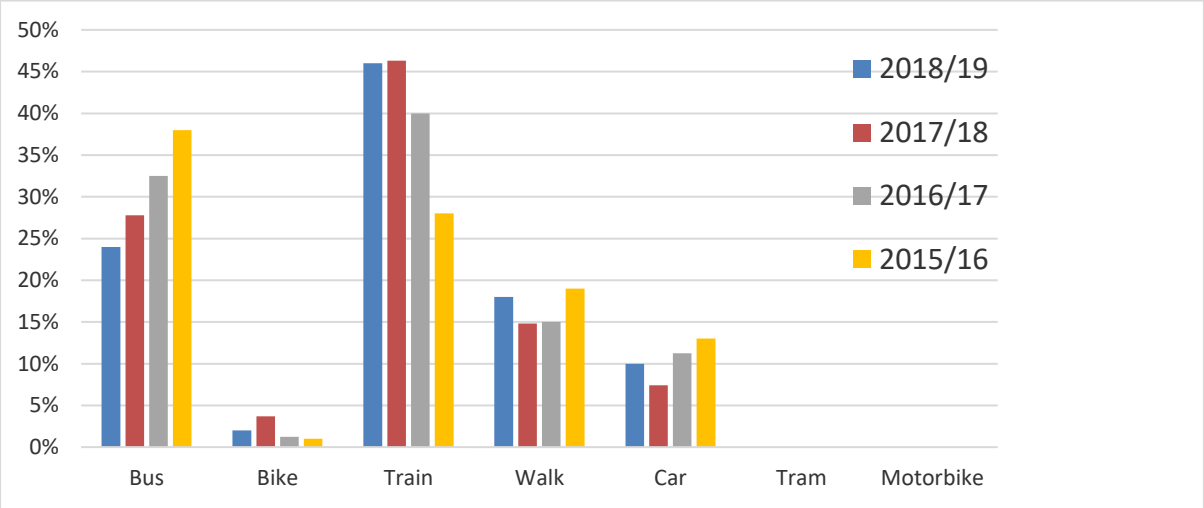
Water

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.

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 do track commuting patterns which are shown in Figure 3 below. Public transport remains the dominant travel mode, with train travel maintaining a high proportion of total commuting again this year. Commuting by bike and bus have fallen since last year and walking and driving have increased. Car use remains below 10% of all staff's reported mode of commuting for the second consecutive year.

Figure 3: Percentage of staff commuting by different modes of transport



SFT - 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 Benefits Statement. An example of this is our street lighting programme which has enabled 55% of Scotland's 900,000 street lamps to be replaced by energy-efficient LEDs, helping Council's save over 60,000 tonnes of CO_2 annually and £25m per annum.

SFT - 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 initiative's which has a positive impact across a range of community projects and charities. Our influence upon the social impacts of the wider public sector are addressed on a project by project basis. Through our role in procurement mechanisms, such as hub, the NPD Programme and the Non-Domestic Energy Efficiency Framework, tenderers are required to include commitments to provide community benefits, including positive environmental, social and economic impacts. SFT's approach to community benefits in construction is detailed in our Community Benefits Toolkit.

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

Area	Expenditure			
	2018/19	2017/18	2016/17	2015/16
Electricity	£8,058	£6,422	£7,433	£9,962
Business Travel	£61,650	£94,284	£100,017	£99,352
Waste & Recycling	£5,039	£5,368	£4,806	£5,063
Totals	**£74,747**	**£106,074**	**£112,256**	**£114,377**

Our total costs have reduced since last year, due to both waste and business travel costs reducing. Business Travel is our main area of 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 Benefit Statements.

SFT - 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.