

**Scottish Futures Trust**  
**SUSTAINABILITY REPORT 2021/22**

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## 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 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, street lighting, the low carbon infrastructure transition programme, decarbonisation of the public sector estate, heat decarbonisation, and the Net Zero Public Sector Buildings (NZPSB) standard.

During the year ended 31 March 2022, 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. However, emissions were on target and remained considerably lower than before the outbreak of COVID-19, as detailed within the table below:

Scope and Area	Emissions (tCO <sub>2</sub> e)			
	2021-22	2020-21	2019-20	2018-19
<b>Total Emissions</b>	<b>9.3</b>	<b>3.2</b>	<b>76.4</b>	<b>82.5</b>
Average FTE employees per annum	72.0	70.0	72.0	70.0
<b>Total Emissions per FTE</b>	<b>0.1</b>	<b>0.0</b>	<b>1.1</b>	<b>1.2</b>
<b>Rolling 4-Year Emissions per FTE</b>	<b>0.60</b>	<b>0.90</b>	<b>1.24</b>	<b>1.36</b>

We measure our carbon emissions in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). At 9.3 tCO<sub>2</sub>e, SFT’s 2021/22 emissions were 88% lower than 2019/20’s 76.4 tCO<sub>2</sub>e emissions, but three times higher than last year’s 3.2 tCO<sub>2</sub>e. As with last year, our emissions per FTE employee remained considerably lower than 2019/20’s 1.1 tCO<sub>2</sub>e per employee. The rolling four-year average emissions per FTE fell to below 1 tCO<sub>2</sub>e per employee. This analysis includes the significant impact on emissions caused by the company working remotely in both the current and previous years and rarely travelling throughout the reporting period in response to the Covid-19 emergency. Increases since last year arose from a loosening of Covid-19 restrictions on work and travel 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 tCO<sub>2</sub>e per FTE for the fifth year running.
- We have exceeded our target of consolidating our emissions at below 1.0tCO<sub>2</sub>e 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-19, few flights were taken and we will adopt and report upon our selected offsetting schemes at the end of 2022. We will include within our report on carbon offsetting, the Scope 2 electricity emissions that are displaced by our Renewable Electricity of Guaranteed Origin certificate and associated energy source reporting we receive from our supplier EDF.

In 2021/22, SFT's objective is to continue to:

- consolidate our environmental impact at 1.5 tCO<sub>2</sub>e per FTE
- maintain our rolling four-year average emissions at or below 1.65 tCO<sub>2</sub>e 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

However, for 2021/22, SFT expects its carbon footprint to remain significantly lower than the consolidated metrics due to the continued impact of the response to the Covid-19 pandemic.

## 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 2020/21, 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 from this year, with a deadline of 30<sup>th</sup> November 2022. We have established a process to meet those additional annual reporting requirements that are applicable and proportionate to our voluntary reporting context, in advance of the November 2022 deadline:

- *Zero Direct Emissions from Heating, Cooling and Air Conditioning*
  - o SFT meets this requirement in our current premises
- *Targets for reducing indirect emissions*
  - o In 2021/22, our objectives were to consolidate our environmental impact at 1.5tCO<sub>2</sub>e per FTE and to maintain our rolling four-year emissions at or below 1.65tCO<sub>2</sub>e 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 tCO<sub>2</sub>e per FTE and to maintain our rolling four-year average emissions at or below 1.65 tCO<sub>2</sub>e 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 tCO<sub>2</sub>e per FTE will be an appropriate level of challenge.
  - o Due to the impact of the response to the Covid-19 pandemic, in the current and previous reporting periods, it is highly likely that our rolling four-year average emissions will remain on target in 2022/23.
- *Alignment of spending plans and use of resources to contribute to reducing emissions and delivering its emissions reduction targets*
  - o Currently SFT Staff have a growing awareness of the need to consider Low Carbon options when procuring, and we are now planning to formalise this in an updated Procurement Policy

- *Making our reports and progress towards targets publicly available*
  - o We publish our accounts and Sustainability Report and will continue to review the suitability of this approach

*Recycling*

Our 2021/22 recycling target was to continue to increase recycling rates. We have reduced all waste arisings in the office for the fourth consecutive year, due to staff access to the office being restricted. Two thirds of non-construction waste arisings are recycled, which is a higher rate than in 2019/20.

*Electricity*

Electricity use per employee was 306 kWh/ employee, less than half of the 790 kWh/ employee in 2019/20 and twice the 153 kWh/employee in 2020/21, due to the office being more accessible to staff this year compared to last. Emissions per employee were 0.1 tCO<sub>2</sub>e.

*Business Travel*

Emissions arising from business travel remains low by both absolute and relative metrics compared to pre-pandemic levels. The increased opportunity to travel in 2021/22 compared to last year has led to a twenty-fold increase in travel-related emissions. However, at approximately 5% of 2019-20 emissions, this is not a concern.

## 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 <sub>2</sub> e)			
		2021-22	2020-21	2019-20	2018-19
Scope 1	Refrigerant Leaks	negligible	negligible	negligible	negligible
Scope 2	Electricity	4.7	2.5	1.2	1.8
Scope 3	Business Travel	4.2	0.5	74.1	79.4
	Waste & Recycling	0.0	0.0	1.1	1.7
	Electricity (T&D)	0.4	0.2	1.2	1.8
<b>Total Emissions</b>		<b>9.3</b>	<b>3.2</b>	<b>76.4</b>	<b>82.5</b>
<b>Average FTE employees p.a.</b>		72.0	70.0	72.0	70.0
<b>Total Emissions per FTE</b>		<b>0.1</b>	<b>0.0</b>	<b>1.1</b>	<b>1.2</b>

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 2021/22, consumption is calculated from supplier estimated reading on 31<sup>st</sup> March 2021 and a Customer Reading taken on 14<sup>th</sup> April 2022 and included in the April 2022 electricity invoice. The supplier estimate on 31<sup>st</sup> March was compared to the most recent meter reading on 4<sup>th</sup> March 2021 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 2022 invoice.

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

Area	Total Impact of Electricity Use			
	2021-22	2020-21	2019-20	2018-19
Electricity Scope 2 emissions (tCO <sub>2</sub> e)	4.7	2.5	1.2	1.8
Electricity consumption (kWh)	22,064	10,733	56,915	55,972
Electricity expenditure (£)	£5,700	£1,299	£7,495	£8,058

Table 3 shows electricity consumption, emissions and costs per employee over the same period. For the second 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 2014-18*

Area	Impact per Employee of Electricity Use			
	2021-22	2020-21	2019-20	2018-19
	FTE: 72	FTE: 70	FTE: 72	FTE: 70
Electricity Scope 2 emissions per employee (tCO <sub>2</sub> e/FTE)	0.100	0.039	0.033	0.051
Electricity consumption per employee (kWh/FTE)	306	153	790	800
Electricity expenditure per employee (£/FTE)	£79	£19	£104	£115

## Scope 3

### 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 tCO<sub>2</sub>e, compared to 1.2 tCO<sub>2</sub>e 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 have risen



significantly compared to last year, but remain less than a tenth of pre-pandemic levels. Details of carbon emissions arising from staff business travel are included in Tables 4 and 5 overleaf.

Table 4 details the absolute carbon emissions from each mode of business travel and indicates an increase from 0.5 tCO<sub>2</sub>e in 2020/21 to 2.3 tCO<sub>2</sub>e. This has been caused by a reduction in emissions from all forms of travel, due to the response to Covid-19.

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

Travel Mode	Miles		tCO <sub>2</sub> e	
	2021-22	2020-21	2021-22	2020-21
Car	9,859	1,798	2.331	0.496
Train, Tram, Bus	6,341	0	0.000	0.000
Taxi	135	0	0.000	0.000
Air Travel	4,347	0	0.000	0.000
<b>Total</b>	<b>20,682</b>	<b>1,798</b>	<b>2.331</b>	<b>0.496</b>

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

Travel Mode	Miles per Employee		tCO <sub>2</sub> e per Employee	
	2021-22	2020-21	2021-22	2020-21
Car	141	26	0.0	0.0
Train, Tram, Bus	91	0	0.0	0.0
Taxi	2	0	0.0	0.0
Air Travel	62	0	0.0	0.0
<b>Total</b>	<b>296</b>	<b>26</b>	<b>0.0</b>	<b>0.0</b>

### 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 carried out minor construction works in our office which gave rise to 1,000 kg of wood which our specialist contractor arranged to have recycled. Our emissions from landfill and recycling activities have remained below 0.1 tCO<sub>2</sub>e in both 2020/21 and this year.

Our minor construction works gave rise to a total of 8.3 tonnes of furniture that was surplus to requirements. Of that total, 7.2 tonnes was retained (i.e. moved), 0.12 tonnes was donated or sold for reuse and 1 tonne was recycled (accounted for in the emission figures above).

Total emissions avoided through reuse and recycling of furniture amounted to 2.8 tCO<sub>2</sub>e and 5.5 tCO<sub>2</sub>e, respectively – however, these are not formally included in quantifying our carbon footprint.

### 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 and this year has been similar to 2020/21 with minimal staff commuting due to the office being closed to staff for part of the year and we have elected not to collate figures.

### 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.

### 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 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](#) and is supplemented by the hub Measuring Social Value 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 6: SFT's Total Expenditure Relating to Utilities, Waste and Travel

Area	Expenditure				
	2021-22	2020-21	2019-20	2018-19	2017-18
Electricity	£5,700	£1,299	£7,495	£8,058	£6,422
Business Travel	£3,941	£306	£60,899	£61,650	£94,284
Waste & Recycling	£2,871	£5,767	£5,767	£5,039	£5,368
<b>Totals</b>	<b>£12,512</b>	<b>£7,372</b>	<b>£74,161</b>	<b>£74,747</b>	<b>£106,074</b>

Our total costs remain significantly lower than in 2019/20, due to the continued response to Covid-19. Business Travel is usually our main area of expenditure by a considerable margin, but, whilst it is tenfold higher than last year's, it remains less than 10% of a typical year's expenditure this year.

### **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.

### **CARBON OFFSETTING**

SFT have reviewed a number of carbon offsetting options and earlier this year 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 have estimated between 40-50 tonnes of CO<sub>2</sub> is generated through air travel activities in a typical year and plan to offset against this accumulated tonnage at the end of 2022 at a cost of £40 per tonne.

In 2021/22, 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 4.7 tCO<sub>2</sub>e of Scope 2 electricity emissions when reporting our carbon offsetting activities at the end of 2022.

### **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-19 emergency in the reporting period.