

Sustainability Report 2012/13

INTRODUCTION

Skills Development Scotland (SDS) is committed to operate in a sustainable manner. Our sustainability activities fall under three key areas: Carbon Management, Sustainable Procurement and Wider Impacts.

We have a wide ranging portfolio operating in properties ranging from leased office and retail space to desk space in libraries and schools. As a result our main sources of carbon emissions are: office energy use, business travel, and office waste and water. Sustainable procurement is central to our operations, and in 2012/13 we integrated community benefit clauses into our procurement processes. We have continued to support the Modern Apprenticeship programme, securing 25,000 Modern Apprenticeship starts with employers and training providers in 2012/13. In addition, through our Low Carbon Skills Fund we support the development of Scotland's low carbon economy, by offering funding for low carbon training and skills development.

CARBON FOOTPRINT

In 2011 SDS created a five year Carbon Management Plan which committed us to a stretch target of 30% reduction in carbon emissions by April 2015, based on our 2010/11 baseline. By the end of 2012/13 we reduced our carbon footprint by 18%, exceeding our interim target of 7%. This was achieved by investment in low carbon technology, encouraging sustainable behavioural changes and by initiating property optimisation strategies.

SDS Carbon Footprint (tCO₂e)

| 2010/11 | 2011/12 | 2012/13 |
|---------|---------|---------|
| 2,072 | 1,833 | 1,683 |

Energy

Carbon emissions attributed to electricity and gas use make up 70% of our carbon footprint and has therefore been a key area of focus. By installing low carbon technologies, such as motion sensor lighting and equipment timers; encouraging employees not to leave equipment on standby; and by integrating energy efficiency into the estates planning process we were able to reduce our annual energy use. In addition, work has been undertaken to improve the reporting and visibility of energy usage, which includes utilising Automatic Meter Readers (AMRs) and portable energy monitors.

Business Travel

In 2012/13 as an organisation we travelled two million miles. 90% of this was travelled by private car and train. In 2012 we rolled IP web conferencing equipment which has given colleagues an effective alternative to travel during the working day. Where travel is essential we have encouraged colleagues to use public transport and car share to reduce business travel carbon emissions further.

Waste

In 2012 we launched a national waste and recycling contract, covering 24 offices; this has decreased the amount of waste we send to landfill from 35 tonnes in 2011/12 to 20 tonnes in 2012/13. Waste currently recycled includes paper, cardboard, plastics, confidential waste, electrical waste and used printer

cartridges. In 2013 we plan to also recycle food waste in 24 offices.

Water

Water use is a relatively small proportion of our carbon footprint and is used primarily for sanitation purposes in our offices. In 2012 water savers were issued to offices with accessible toilet cisterns to reduce water consumption.

Paper Use

SDS uses 100% recycled paper and/or Forestry Stewardship Council (FSC) guaranteed paper for all printed material where available. All documents printed internally use 100% recycled paper, or FSC guaranteed paper.¹

SUSTAINABLE PROCUREMENT

SDS is committed to meet our obligations in a manner which achieves value for money on a whole life basis, in terms of generating benefits not only to SDS, but also to society and the economy whilst minimising damage to the environment.

We are supportive of community benefits which encourage targeted recruitment and training. Our Total Facilities Management contract directly resulted in the appointment of four permanent employees and one new Modern Apprentice. We have mandated the use of the Supported Business framework for all internal purchasing, which has streamlined the way in which we raise and process all purchase orders. In addition, 86% of our non-pay expenditure committed by 2012/13 was with Scottish Small and Medium-sized Enterprises.

¹ This excludes ILA Booking Tokens which are printed on specialist copy proof paper.

Through our Modern Apprenticeship programme we exceeded our 2012/13 target, securing 25,000 Modern Apprenticeship starts with employers and training providers. In order to improve our approach in engaging with socio-economy organisations in the funding of the Third Sector Challenge fund we liaised with Ready for Business, which led to £2.7 million direct funding with 26 socio-economy organisations. SDS will continue to work with Ready for Business in engaging with the volunteering sector.

WIDER IMPACTS

SDS subsidises Scottish businesses (up to 250 employees) with 50% of the cost of low carbon training through the Low Carbon Skills Fund (LCSF), up to a maximum of £500 per episode of training. The fund allows up to 25 episodes of training and businesses can apply for the LCSF up to a maximum of £12,500 towards employee training costs.

The purpose of the LCSF is to increase expertise in the growing low carbon economy in Scotland and make Scotland a world leader in sustainable energy.

The broad categories of low carbon training covered by the LCSF include:

- Renewable energy, low carbon technologies and microgeneration
- Energy efficiency, environmental and clean technologies
- Waste management and re-use
- Reducing carbon in supply and energy management
- Green Deal training (advisor, assessor & installer)

Since the launch of the LCSF in 2009/10, the fund has supported over 2,000 low carbon learning opportunities. The 2012/13 fund supported over 756 opportunities with many of these directly associated to the Green Deal initiative.

In 2012 an evaluation of the Fund by the Carbon Trust stated that within one year the LCSF supports an estimated energy and carbon savings equivalent to the annual emissions from over 7,000 houses.



Skills Development Scotland Sustainability Report 2012/2013

| GREENHOUSE GAS EMISSIONS | | 2010/11 | 2011/12 | 2012/13 | Graphical Analysis |
|--|---|------------------|------------------|------------------|--|
| Non-Financial Indicators (tCO₂e) | Scope 1: Direct Emissions from Estate Gas Usage | 228 | 168 | 196 | <p style="text-align: center;">SDS Carbon Footprint</p> <p style="text-align: center;">tCO₂e</p> <p style="text-align: center;">2010/11 2011/12 2012/13</p> <p style="text-align: center;"> ■ Electricity ■ Gas ■ Travel ■ Waste ■ Water —●— Target </p> |
| | Scope 2: Indirect Emissions from Estate Electricity Consumption | 1,206 | 1,053 | 982 | |
| | Scope 3: Business Travel | 621 | 596 | 496 | |
| | Scope 3: Waste | 16 | 16 | 9 | |
| | Scope 3: Water | 1.1 | 0.7 | 0.4 | |
| | Total GHG Emissions | 2,072 | 1,833 | 1,683 | |
| | Carbon per FTE Head | 2.4 | 2.3 | 2.3 | |
| Related Consumption Data (kWh) | Estate Electricity | 3,268,658 | 2,024,226 | 1,886,395 | |
| | Estate Gas | 1,110,859 | 815,217 | 952,557 | |
| | Total Energy | 4,379,517 | 2,839,443 | 2,838,952 | |
| | Energy per FTE Head | 5,049 | 3,594 | 3,852 | |
| Financial Indicators (£) | Expenditure on Energy | £359,660 | £387,208 | £426,695 | |
| | Expenditure on Business Travel | £907,187 | £902,666 | £1,008,854 | |
| | Expenditure on Waste | £40,204 | £35,091 | £28,648 | |
| | Expenditure on Water | £157,736 | £107,911 | £78,090 | |

PERFORMANCE COMMENTARY INCLUDING MEASURES

SDS has a target to reduce its carbon emissions by 30% (to 1,451 tCO₂e) by April 2015 from our 2010/11 levels. By end of year 2012/13 SDS achieved a carbon reduction of 18%. This reduction has largely been driven by colleague engagement campaigns, estates planning, and investment in low carbon technology, such as the roll out of IP web conferencing equipment.

CONTROLLABLE IMPACTS COMMENTARY

SDS's main sources of carbon emissions are: office energy use (including electricity and gas), business travel, and office waste and water. SDS has a wide ranging portfolio operating in properties ranging from leased office and retail space to desk space in libraries and schools as a result a financial control carbon footprint has been calculated. This includes: electricity and gas in 42 offices, business travel for the total headcount, waste in 24 offices and 22 offices with water meters. Strategies have been put in place to reduce these direct impacts year-on-year. This includes an organisational wide colleague engagement campaign which highlights the benefits of operating in a sustainable way and offers best practice advice on how to align day-to-day activities with our wider environmental commitments.

OVERVIEW OF INFLUENCED IMPACTS

Throughout our efforts to become a low carbon organisation we have and will continue to highlight the environmental benefits of low carbon actions and believe this has a positive impact on our staff's choices at home.

| BUSINESS TRAVEL | | 2010/11 | 2011/12 | 2012/13 | Graphical Analysis |
|---|---|------------------|------------------|------------------|--|
| Non-Financial Indicators (miles) | Private Car | 1,641,412 | 1,537,473 | 1,331,703 | <p>Business Travel (miles)</p> <p>miles (000)</p> <p>2010/11 2011/12 2012/13</p> <p>Car Train Bus Ferry Taxi Car Hire Air</p> |
| | Other: rail, bus, ferry, taxi, car hire & air | 1,176,853 | 1,166,218 | 762,349 | |
| | Total Business Travel | 2,818,265 | 2,703,691 | 2,094,052 | |
| Financial Indicators (£) | Private Car | £613,347 | £654,247 | £531,243 | |
| | Other: rail, bus, ferry, taxi, car hire, air | £293,840 | £248,419 | £477,611 | |
| PERFORMANCE COMMENTARY INCLUDING MEASURES | | | | | |
| 2012/13 saw a substantial reduction in business travel compared to previous years, a reduction of over 700,000 miles compared to 2010/11. Car and rail travel continue to be the most popular mode for business travel, making up 90% of business travel mileage in 2012/13. | | | | | |
| CONTROLLABLE IMPACTS COMMENTARY | | | | | |
| In 2012/13 SDS rolled out IP web conferencing equipment to all colleagues as part of the organisational wide 'working from anywhere' scheme. By utilising this technology the requirement to travel for the purpose of internal meetings has substantially reduced. In addition, the organisational wide colleague engagement campaign has highlighted low carbon modes of travel (such as public transport) as the preferred mode of travel. In 2013/14 video conferencing equipment will be installed across various locations to facilitate larger meetings which will further reduce the requirement to travel. | | | | | |
| OVERVIEW OF INFLUENCED IMPACTS | | | | | |
| In 2013/14 SDS intends to influence colleague commute travel by actively encouraging car sharing and launching an employee car share network. | | | | | |

| WASTE | | 2010/11 | 2011/12 | 2012/13 | Graphical Analysis | | | | | | | | | | | | | | | | |
|--|--------------------------------------|----------------------|----------------------|-------------------|---|------|----------|-----------------|-------------------|---------|----|----|---|---------|----|----|---|---------|----|----|---|
| Non-Financial Indicators (tonnes) | Landfill | 37 | 35 | 20 | <p>Waste (tonnes)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Landfill</th> <th>Recycled/Reused</th> <th>Energy from waste</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>37</td> <td>21</td> <td>0</td> </tr> <tr> <td>2011/12</td> <td>35</td> <td>12</td> <td>0</td> </tr> <tr> <td>2012/13</td> <td>20</td> <td>60</td> <td>1</td> </tr> </tbody> </table> | Year | Landfill | Recycled/Reused | Energy from waste | 2010/11 | 37 | 21 | 0 | 2011/12 | 35 | 12 | 0 | 2012/13 | 20 | 60 | 1 |
| | Year | Landfill | Recycled/Reused | Energy from waste | | | | | | | | | | | | | | | | | |
| | 2010/11 | 37 | 21 | 0 | | | | | | | | | | | | | | | | | |
| | 2011/12 | 35 | 12 | 0 | | | | | | | | | | | | | | | | | |
| 2012/13 | 20 | 60 | 1 | | | | | | | | | | | | | | | | | | |
| Recycled/Reused | 21 | 12 | 60 | | | | | | | | | | | | | | | | | | |
| Waste Incinerated/ Energy From Waste | 0 | 0 | 1 | | | | | | | | | | | | | | | | | | |
| Total Waste | 58 | 47 | 81 | | | | | | | | | | | | | | | | | | |
| Financial Indicators (£) | Landfill | <i>Not Available</i> | <i>Not Available</i> | £9,788 | | | | | | | | | | | | | | | | | |
| | Recycled/Reused | <i>Not Available</i> | <i>Not Available</i> | £18,564 | | | | | | | | | | | | | | | | | |
| | Waste Incinerated/ Energy From Waste | £0 | £0 | £296 | | | | | | | | | | | | | | | | | |
| | Total Disposal Expenditure | £40,204 | £35,091 | £28,648 | | | | | | | | | | | | | | | | | |

PERFORMANCE COMMENTARY INCLUDING MEASURES

In 2012/13 waste sent to landfill continued to reduce, in 2012/13 20 tonnes of waste was sent to landfill compared to 37 in 2010/11. Recycled waste however has substantially increased due to a widespread 'office tidy up' initiative encouraging colleagues to dispose of broken and redundant equipment, such as IT equipment and furniture. It is anticipated that recycled waste will remain high in 2013/14 due to planned office relocations.

CONTROLLABLE IMPACTS COMMENTARY

In April 2013 an organisational waste and recycling contract came into effect in 24 offices. As a result all desk waste baskets were removed and central segregated bins were introduced allowing colleagues to recycle a wide range of materials. In 2013/14 organic waste bins will be introduced in offices included within this contract.

OVERVIEW OF INFLUENCED IMPACTS

In 2012 we began using 100% recycled paper for all internal documents. In addition, from April 2013 all external documents including fulfilment documents and brochures will be printed on 80% recycled paper rather than the existing 50% recycled paper stock.

| FINITE RESOURCE CONSUMPTION | | 2010/11 | 2011/12 | 2012/13 | Graphical Analysis | | | | | | | | |
|--|-------------------------------------|----------|----------|---------|---|------|-------------------------------------|---------|-------|---------|-------|---------|-------|
| Non-Financial Indicators (m³) | Water Consumption | 3,838 | 2,171 | 1,290 | <table border="1"> <caption>Water (m³)</caption> <thead> <tr> <th>Year</th> <th>Water Consumption (m³)</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>3,838</td> </tr> <tr> <td>2011/12</td> <td>2,171</td> </tr> <tr> <td>2012/13</td> <td>1,290</td> </tr> </tbody> </table> | Year | Water Consumption (m ³) | 2010/11 | 3,838 | 2011/12 | 2,171 | 2012/13 | 1,290 |
| Year | Water Consumption (m ³) | | | | | | | | | | | | |
| 2010/11 | 3,838 | | | | | | | | | | | | |
| 2011/12 | 2,171 | | | | | | | | | | | | |
| 2012/13 | 1,290 | | | | | | | | | | | | |
| Financial Indicators (£) | Water Supply Expenditure | £157,736 | £107,911 | £78,090 | | | | | | | | | |
| PERFORMANCE COMMENTARY INCLUDING MEASURES | | | | | | | | | | | | | |
| Water use makes up a relatively small proportion of SDS's carbon footprint (0.03% in 2012/13). Despite this efforts have been made to reduce water consumption. | | | | | | | | | | | | | |
| CONTROLLABLE IMPACTS COMMENTARY | | | | | | | | | | | | | |
| In 2012 water savers ('water hippos') were issued to offices with accessible toilet cisterns to reduce water consumption. In 2013/14 all retrofitting office projects will be required to consider water saving devices, such as low flush toilets, waterless urinals, spray and low flow taps and water saving white goods. | | | | | | | | | | | | | |
| OVERVIEW OF INFLUENCED IMPACTS | | | | | | | | | | | | | |
| By highlighting the importance of conserving water it is believed this will have a positive effect on colleagues' choices at home. | | | | | | | | | | | | | |

TABLE NOTES:

Note 1: The above report has been prepared in accordance with the guidelines laid down in the 'Public Sector Sustainability Reporting – Guidance on the Preparation of Annual Sustainability Reports: Financial Year 2011-12' found at: <http://www.scotland.gov.uk/Publications>

Note 2: All carbon emission factors are from '2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting' found at: <https://www.gov.uk/government/publications/2012-greenhouse-gas-conversion-factors-for-company-reporting>

Note 3: The data presented represents SDS's Financial Control Footprint, this includes energy use in 42 SDS offices, business travel for all SDS staff, waste accumulated in 24 offices and metered water usage in 22 SDS offices.

Note 4: The data included within this report differs marginally from the SDS Annual Accounts, this is the result of more accurate information being obtained since their preparation.

Note 5: The data is correct as of 12 June 2013 and may be subject to change.