

Net Zero Framework for Action 2024-25



Foreword

Scottish Enterprise recently published [‘Our Focus on Economic Transformation’](#), changing how we will work with businesses and partners to deliver transformational impact in Scotland’s economy.

Through the introduction of three Missions – energy transition, scaling innovation, and capital investment to drive productivity – we will respond to the biggest opportunities that drive up levels of business innovation, capital investment and international activity to maximise economic return. In addressing these opportunities, net zero remains a key priority and is core to delivering all our missions. It is a key driver of business competitiveness, provides substantial growth opportunities and creates good quality jobs.

We are now in the final year of our current Net Zero Framework for Action, which we first published in 2021, and I am delighted to say that we have made significant strides towards achieving our 2025 ambitions.

In the past year we have further decarbonised the operational running of the business, including our digital emissions – taking a leadership approach to ensure we look at every aspect of the emissions we generate as an organisation. We have also upskilled almost 60% of Scottish Enterprise staff

through our climate literacy training programmes and supported the businesses we work with to develop their own net zero plans and capitalise on net zero opportunities.

This year we will redouble our efforts to achieve our 2025 ambitions, across all five areas of focus:

- Supporting net zero innovation in businesses and organisations
- Delivering projects and programmes
- Place development
- Enabling activities
- Becoming a net zero development agency

Our plan sets out eight priority actions to enable us to deliver on our ambitions within these focus areas. These include enhancing our support to businesses to help them implement responsible and sustainable business practices to deliver even greater business benefits. We will also embed net zero outcomes across our new missions to capitalise on the opportunities presented by the energy transition and drive further emissions reductions across our operations.



When we first set out our net zero approach in 2021, our aim was to lead, influence and create opportunities for Scotland’s just transition to net zero. That commitment is now further enhanced by our focus on helping our innovative and ambitious companies to seize the most transformative economic opportunities, where we can work together to make the biggest difference. Unlocking new opportunities, creating well-paid jobs and ensuring long-term business growth – creating positive change towards net zero.

Adrian Gillespie

Chief Executive



Contents

Foreword	2
Our Progress 2023/24	4
Our net zero ambition	5
Priority actions 2024/25	6
Supporting net zero innovation in businesses and organisations	8
Delivering projects and programmes	12
Place development	16
Enabling activities	19
Becoming a net zero development agency by 2040	21

Front cover photos

- Top: Trees and woodland in East Lothian
- Bottom right: Beatrice Offshore Wind Farm. Moray Firth, Scotland
- Bottom left: Compack staff member, who have been supported by Scottish Enterprise to open a new 'green' packaging factory in Livingston.

This page

- Hydrogen energy storage.

Our Progress 2023/24

We achieved:

- **468.62k tonnes** of CO₂ savings from our supported businesses/projects, a 30% increase from 2022/23
- **77% reduction** in Scope 1, 2 and 3* emissions in 2023 compared with the 2015-16 baseline
- A **58% reduction** in the carbon intensity of the three websites managed by Scottish Enterprise, from our 2021-22 baseline, that's a total reduction of 1.9 tonnes CO₂e



We supported:

- **71 projects** with circular economy activities
- More than **3700 green jobs** paying the real living wage
- Approximately **50 delegates across 26 companies** through our newly launched Net Zero Academy training programme
- **16 companies** to strengthen Scotland's green heat supply chain, with more than £750,000 through the **CAN DO Innovation Green Heat Feasibility call**



We delivered:

- An Institute of Environmental Management and Assessment (IEMA) certified tailored 'Leading in Net Zero' climate literacy training programme to **642** Scottish Enterprise colleagues
- Learning and development materials, webinars and guidance on specific areas of net zero to build greater capacity across Scottish Enterprise



*Scope 3 - excludes emissions resulting from Scottish Enterprises operational support

Our net zero ambition

Our net zero approach is to lead, influence and create opportunities for Scotland's just transition to net zero.

Our net zero ambition focuses on economic opportunities that deliver benefits to the environment and society.

We are continuing to embed a focus on net zero across everything we do to increase Scotland's sustainable prosperity. This includes decarbonising the way we operate – reaching net zero by 2040 (Scope 1, 2 and 3 emissions related to our own emissions) – while also baselining and reducing the emissions from our operational support (Scope 3).

Our approach to net zero goes beyond decarbonisation of emissions, encompassing a broad range of areas which are fundamental to achieving a just net zero economy. These include capitalising on net zero market opportunities, adapting to climate change, protecting and improving biodiversity, stimulating circular economy practices and business models, and supporting green jobs and a just transition for businesses and sectors.

2025 ambition in our five key areas of focus

Each area includes a clear vision of where we want to be in 2025 to achieve our long-term strategic ambition:

1. Supporting net zero innovation in businesses and organisations

By 2025 we have helped Scotland become a leading location for net zero innovation, supporting businesses to access new market opportunities to improve their competitiveness and resilience.

2. Delivering projects and programmes

By 2025 we have helped to shift Scotland's economy to invest and innovate in a just, net zero future, building on Scotland's distinctive climate-related strengths and opportunities.

3. Place development

By 2025 we have embedded and strengthened the focus on net zero in place-focused projects, partnership delivery and the management of our own property portfolio.

4. Enabling activities

By 2025 we have focused on expanding climate-related economic opportunities while reducing the (Scope 3) emissions associated with this.

5. Becoming a net zero development agency by 2040

By 2025 Scottish Enterprise has reduced emissions by 70% compared with our 2015/16 baseline

Priority actions 2024/25

1. **Enhance our approach to support businesses to implement responsible and sustainable business practices into their operations to deliver greater business benefits.**
2. **Identify and support companies committed to maximising international trade and investment in climate related products and services.**
3. **Embed net zero outcomes in our mission-based approach, continuing to reduce emissions and identify and integrate specific activities focused on the Just Transition, natural capital and the circular economy.**
4. **Implement early action projects within our investment property portfolio, to transition towards net zero.**
5. **Strengthen the alignment and contribution of place-based innovation project activities alongside partners and businesses to help accelerate a just, nature-positive, transition to net zero.**
6. **Further develop our model to analyse our Scope 3 emissions across our operational support and identify potential pathways to reduce those emissions.**
7. **Support business action to improve supply chain resilience to climate change and capitalise on global market opportunities.**
8. **Drive forward continued emissions reduction and review our 2040 target date to become net zero operationally.**

- Right: Offshore wind turbines with flora in the foreground



This is the final update of the current iteration of our Net Zero Framework for Action, and the final year of delivery to reach our 2025 ambitions. We have made significant progress in each of our five ambition areas. This includes successfully reducing our operational emissions by more than 70% compared with our 2015/16 baseline. However, there is still more to do. We will re-double our efforts in the year ahead to meet our remaining ambitions and maintain our operating emission reduction.

We aim to achieve this through our eight priority actions for 2024/25 by advancing our approach across a number of areas.

Our new Scottish Enterprise strategy '[Our focus on economic transformation](#)', sets out how we will focus on transformative opportunities that create high-value jobs, boost productivity and create wealth for Scotland's businesses and people. It positions net zero alongside both fair work and equalities, diversity and inclusion (EDI) as critical drivers of competitiveness for businesses. This new refreshed approach focuses on three missions to enable us to deliver greater impact and concentrate our efforts.

- Top: Queen's Quay Heat Pump scheme in Clydebank
- Right: MSIP Skills Academy Dundee and Angus college VR Wind Turbine Training

- Energy Transition – creating an internationally competitive energy transition economy in Scotland by 2030.
- Capital Investment to Drive Productivity – driving capital investment to deliver a step-change in Scotland's productivity.
- Scaling Innovation – scaling the impact of Scotland's innovation strengths into high growth industries of the future.

Net Zero is core to the delivery of **all** of our missions and our new priority actions for 2024/25 reflect this.



Supporting net zero innovation in businesses and organisations

Our business engagement model is changing to reflect our mission-based approach. We will target companies with the characteristics to help address our mission focused ambitions. Integral to this is the need to help create a responsible and sustainable economy, recognising that net zero, fair work and equalities, diversity and inclusion are inter-related drivers of business competitiveness.

Innovative businesses, who adopt these practices are much better placed to attract investment, customers and employees. These businesses will benefit from a greater comparative advantage and additional growth opportunities – which is why in 2024/25 we will enhance our approach to help companies capitalise on the global opportunities from the net zero transition, attracting investment and delivering a more climate resilient economy.

This will include:

- Delivering a minimum of four additional cohorts of our Net Zero Academy, which we launched in 2023.
- Developing the right resources and tools for companies, to support decarbonisation and adoption of sustainable business practices.

- Enabling companies to develop innovative solutions and technologies, through our funding support and expert advice.
- Supporting companies committed to maximising international trade and investment in climate related products and services.

A focus on international trade and investment is a priority this year - we will identify and share new global insights to support companies to capitalise on market opportunities, increase exports, and advance innovation in climate-related areas. This will contribute to lowering emissions and support supply chain resilience.

This is our third year of aligning our business support funding to net zero outcomes, where we are asking businesses to have in place a credible plan to reduce their operational emissions to net zero by 2045 at the latest. Where they do not currently have a plan in place, we offer support to help them develop one. This approach is now embedded across our funding support and we will use the coming year to review its implementation and monitor the outcomes.

Read our guides on business sustainability

If you'd like to learn more about specific areas of business sustainability, we have in-depth guides that cover a number of useful topics.

[Learn about developing an effective low carbon strategy](#)

[Find out how circular economy practices can benefit your business](#)

[Learn how sustainability-driven innovation boosts profits and resilience](#)

[Read our guide on calculating a carbon footprint for your business](#)

[Learn about building a sustainable supply chain](#)

Scottish Enterprise support available on www.scottish-enterprise.com

Scottish Enterprise Net Zero Academy

In 2023, our team of Sustainability Specialists created a new programme to support businesses on their net zero journey. The Net Zero Academy provides cohorts of Scottish companies with expert advice and guidance on how to develop their own net zero plans. Through five half day workshops that include presentations, videos, and interactive exercises, the academy provides delegates with globally recognised continual professional development through accreditation with the [Institute of Environmental Management and Assessment](#) (IEMA).

The first two cohorts were successfully delivered in Glasgow and Aberdeen in November 2023, with almost 50 delegates from 26 companies. These included WB Alloys, Rhinowash, TEXO and FIS Chemicals.

“The training offered was an excellent first step into net zero planning.”

Using knowledge of the challenges faced by companies in developing a net zero plan, the Sustainability Specialists team designed a programme which reinforces why a net zero plan makes good business sense, driving competitiveness and productivity, as well as delivering positive impacts on people and the environment.

The programme includes:

- How to develop a credible and robust plan to transition to net zero
- Peer to peer presentations
- Company site visits
- Addresses the requirements for businesses to comply with Scottish Enterprise’s new approach to net zero conditional funding, introduced in 2022.

Beyond the programme our team of specialists are available to provide support and advice on an ongoing basis, to support participants on their net zero journey.

All of the participants who responded to the feedback survey, said they would recommend the academy to industry colleagues and other businesses, with 21 out of 24 respondents feeling equipped to produce a net zero plan within their own organisation as a result of the programme.

“SE has demonstrated leadership in providing resources for a team to pull this project together.”

As part of the Performance Measurement Framework, we track the number of circular economy activities we have supported. Circular approaches focused on reuse, repair and remanufacturing offer extensive opportunities for businesses. These include increasing productivity and competitiveness, stimulating innovation and boosting job creation. In 2023/24 we supported 71 projects with integrated circular approaches, and we will continue to work with businesses and supply chains to scale up the adoption of circular economy activity in the projects we support.

There is growing global attention on the availability of secure and adequate supplies of raw materials (minerals and metals) and technologies, that are critical to economies world-wide. Demand for these materials has been growing exponentially and is forecast to outstrip supply in the near-term future. This is as a result of increasing global population, growing momentum in the energy transition and development of new technologies across the globe. Scaling up the circular economy to ensure we make efficient use of these resources is essential if we are to meet the needs of the economy today and in the future. To support this, we will place a growing emphasis on circular economy opportunities, which will help in part, mitigate supply chain risk.

- Right: Angus Hayhow, Head of Marketing at Mackie's

Sky to scoop

[Mackie's](#) is a household name in Scotland, making ice cream from the family farm since the 1980s.

The company is building in sustainable practices and solutions throughout the ice cream-making process calling it **“sky to scoop”**: using turbines and solar panels to harness the energy of the wind and sun to power the dairy, as well as to grow crops to feed the cows that produce the milk to make ice cream. That's the simple version, of course. The actual ice cream making process involves a lot more steps, and energy – which Mackie's works hard to innovate on and keep as sustainable as possible.

Wind turbines and solar panels

Reducing the energy it uses and creating as much of its own renewable energy as possible is a key part of the company's goal to become completely energy self-sufficient. Mackie's has been generating its own wind power since 2005 and now has four turbines that generate 8570 megawatt hours per year. There are also more than 7000 solar panels at the Mackie's site, dotted across the roofs of the buildings and clustered in a solar farm at the top of the hill. These panels generate a further 2000-megawatt hours per year. Researching and trialling methods to store the energy produced on days when the Scottish wind and sun provide excess power is on the company's list of future sustainability projects, to reach renewably generated energy self-sufficiency.



Low carbon refrigeration

One of the biggest energy uses on the farm is the refrigeration of its signature product - ice cream. Reducing this has both business and environmental benefits, so Mackie's has implemented a new solution: the low carbon refrigeration system (LCRS) plant, the first of its kind in Scotland. The plant uses ammonia, a natural refrigerant gas, and heat from the biomass boilers to power refrigerated spaces where the ice cream is cooled and stored. This innovative solution reduces environmental impact and is anticipated to cut the company's energy use and CO₂ emissions by up to 80%.

Investing in sustainability

Mackie's is also exploring ways to reduce the Greenhouse Effect of their cows (it trialled a new food mixture in 2022 which reduced emissions), has been preparing the 10-acre solar farm to house bees, and has started providing electric bikes for staff to use to enjoy the Aberdeenshire outdoors.

Scottish Enterprise has worked with Mackie's for several years across a range of projects, providing strategic support, leadership coaching and management development, as well as capital support for equipment.

For Mackie's, the upfront capital investment for each of its energy solutions has been substantial –but it isn't just worth it from the environmental perspective – there's a definite business benefit, too.

“They [the turbines and solar panels] pay for themselves through the energy they produce, which the business uses, and through earnings from the excess energy which is sold to the grid,” Angus Hayhow, Head of Marketing at Mackie's comments. Having its own supply of energy has also helped protect Mackie's from the extremes of energy price variations over the last year. This has allowed the brand to keep its prices lower than some of its competitors, which has led to it winning new customers across the UK.

“Scottish Enterprise can introduce you to experts and organisations that can help bring your sustainable plans and ideas into reality.”

Angus Hayhow

Head of Marketing at Mackie's

- Right: Aerial view of Mackie's solar farm



Delivering projects and programmes

We will focus on transformative opportunities that create high-value jobs, boost productivity and wealth for Scotland's businesses and people. The transition to net zero is core to the delivery of our new mission-based approach. We want to play a leading role in the transition to a just, net zero economy. To meet this continued ambition, we will embed net zero outcomes in our approach, continuing to reduce emissions in the projects and programmes we support, as well as putting more focus on activities that address Just Transition, natural capital and circular economy outcomes.

Energy Transition

To support Scotland's just transition to net zero by 2045, we want to drive the creation of an internationally competitive energy transition economy in Scotland by 2030. Our **Energy Transition Mission** is focused on offshore wind, hydrogen and clean heat – encompassing generation, storage, use and transport – but includes wider renewable energies that bring economic benefit to Scotland. The future of offshore wind, the developing green hydrogen

industry and the need to decarbonise homes and industry – will bring wide-reaching and sustainable economic benefits over the next 10 years. We are focused on accelerating technology innovation, supply chain capability and investment in manufacturing and key infrastructure, which will help to facilitate a just transition to net zero energy. Renewable energy is also essential to supporting the decarbonisation of Scotland's wider economy.

Hydrogen Expert Support programme

Hydrogen is one of the energy transition's emerging sectors. It's of interest to businesses from established industries like oil and gas, pharmaceuticals, electronics and food & drink which want to diversify into renewable energy. We created the Hydrogen Expert Support Programme to help companies explore relevant opportunities in the sector.

Running as a pilot from April 2023 to February 2024, the programme provided free expert advice to 33 businesses across Scotland.

The consultancy Opergy Scotland was commissioned to provide:

- An analysis of the hydrogen market and value chain in Scotland and internationally
- Bespoke insights on how to position products or services to meet the requirements of the hydrogen market
- Information on relevant support schemes, networks and resources to increase market presence

In collaboration with the [Energy Transition Zone \(ETZ\)](#), we also hosted an event in Aberdeen for the programme participants. Attendees were able to network and hear about multiple support mechanisms available from Scottish Enterprise and partners such as the [National Manufacturing Institute Scotland \(NMIS\)](#), [Energy Skills Partnership \(ESP\)](#) and [Energy Technology Partnership Scotland \(ETP\)](#).

Scaling Innovation

Our mission on **Scaling the Impact of Scotland's Innovation Strengths** into high-growth industries of the future, aims to make Scotland a country where ambitious entrepreneurship drives innovation to create scale-up companies. We will prioritise building thriving clusters around five future industries: space, industrial biotech, life sciences (human health), fintech, and quantum, photonics, radio and semiconductors. We will promote these industries of the future to drive Scotland's growth. We will identify high value manufacturing opportunities which include a net zero focus, supporting manufacturers to develop more sustainable products and producing them with lower environmental impact.

We will launch challenge calls to drive innovation, new technologies and new market entrants and fully utilise innovation districts to support the decarbonisation of our industry base.

We have already had early success in leveraging funds into our future industries through the Horizon Europe programme the largest international Research & Innovation programme, with a budget of over £80bn which will run until 2027. We are part of two successful CoFund projects, one of which, the 'European Circular Innovation Valley', aims to develop and deliver

new industrial biotech circular solutions. The UK's formal association to [Horizon Europe](#) came into effect on the 1 January 2024. It offers significant opportunities to develop world-class innovative technologies, progress ground-breaking research, and develop products and services in key growth sectors in collaboration with partners across Europe and other associated countries.

For Scotland, renewed access to the programme means Scottish businesses of all sizes and across all key sectors are eligible to apply to a range of Horizon funding opportunities and directly benefit from innovation grant funding. This also includes funding opportunities to progress research and innovation to support Scotland's transition to Net Zero. We have a designated team of Horizon Europe funding specialists to help Scottish companies access these opportunities.

- Right: Staff working at AAC ClydeSpace, Glasgow





Applying space data to the net zero economy

In 2023, in partnership with the Scottish Government and The Data Lab, we jointly funded research and development projects demonstrating innovative space-based solutions to help accelerate the transition to net zero. The CAN DO Innovation Challenge 'Applying Space Data to the Net Zero Economy' funded 11 companies, across 12 projects.

This R&D challenge called on companies to demonstrate innovative space-based solutions to help a range of sectors – from agriculture to transport and the built environment – accelerate the transition to net zero. Each project received a grant of up to £30,000 and business support to help develop and test the technical and economic feasibility of their ideas.

- Left: Satellite in space

Some of the projects awarded include:

Terrabotics is a Edinburgh based Space to Earth Analytics company. It was awarded funding to advance a project using satellite sensors to measure flaring and venting (the disposal of natural gas via combustion or direct release into the atmosphere) in the North Sea. Flaring and venting is responsible for a fifth of UK offshore oil and gas production related carbon emissions and emits black carbon and other pollutants.

Space Intelligence is developing an Annual CarbonMapper, a system for detecting changes in forest biomass on an annual basis. This will support monitoring, reporting and verification of forest carbon projects. With the grant, the company will demonstrate the technological and commercial promise of the annual CarbonMapper product, with the aim of delivering jobs and economic growth for Scotland deriving from cutting edge science, alongside positive climate and biodiversity impacts.

TRIOS Renewables, will use high-resolution ocean observation satellite data to forecast the logistics, durations, risk and cost of offshore wind farm operations. It will zoom into individual turbine locations, predicting accessibility and ocean risk to a high degree of accuracy.

Capital investment to drive productivity

Capital investment is a key driver in increasing productivity levels and enabling Scotland's business base to be more internationally competitive – with higher levels of exports, more research and development, and greater adoption and use of innovative technologies. Through our mission to **drive capital investment to deliver a step-change in Scotland's productivity** we are committed to helping companies grow through support and advice – creating a fairer and greener economy.

We will ensure that Scotland benefits from the opportunities of the transition to net zero as part of our investment in capital projects through initiatives such as the Manufacturing Property Challenge Programme. This programme will ensure the provision of energy efficient, manufacturing facilities supporting high value manufacturing approaches.

Across our three missions, we will work with businesses to adopt fair work, sustainable and equalities practices – helping them to improve their positive impacts on people and the planet, while increasing business performance and benefits. This includes helping all our projects to make a greater contribution to fair work, net zero and equality, diversity and inclusion priorities. As well as promoting climate change adaptation, biodiversity improvement, a more circular economy and a just transition.

Sustainability - driving productivity

Simon Howie Butchers Ltd has completed a £2 million sustainability project at its factory with £500,000 of grant support from Scottish Enterprise.

The project came from a necessity to ensure the long-term viability of the business in the face of soaring energy costs, peaking at a ten-fold year-on-year increase. As well as a strong desire to protect the planet.

A new fully integrated energy system with a 2.1MW Solar Array will produce up to 40% of the site's daytime energy requirements and 150% of electricity demand in the summer months. The company also has plans to install a wind turbine to complement the solar energy system throughout winter months. The project is estimated to generate 900 tonnes of CO₂e savings over the next three years.

Two 450KWh lithium batteries and two 12,000 litre water storage tanks have also been installed and integrated using intelligent control systems to ensure every drop of energy produced from the solar panels can be used by the site. The new system means that even the most energy intensive factory lines can run on solar power.

The company is already seeing the benefits of investing in equipment that puts sustainability at the heart of the business, helping to increase productivity and reduce operating costs. Since investing in this infrastructure, the business has had the confidence to employ a further 11 staff, growing the company to 122 employees in rural Perthshire.

While a huge investment for the business, Simon Howie founder of the Scottish Butcher explained why it was such an important thing for the company to do: “The climate emergency is real and businesses taking on the responsibility to reduce their carbon footprint is, understandably, becoming more and more important to the consumer. Couple this with the spiralling and uncontrollable energy price increases we all experienced and **investing in sustainable green energy become a ‘must-do’** as far as we were concerned. We want our customers to know we are doing all that we can to insulate them from cost-of-living increases and to make the right changes for the benefit of the planet [sic].”

Place development

We manage a diverse portfolio of buildings and land assets which support our economic development objectives and mission ambitions, including providing business space and development land. Following the completion of a detailed review of our Investment Property Portfolio (IPP), a strategy and approach to decarbonise the portfolio through to 2035 has been developed.

This approach has three workstreams - building decarbonisation, enhancing biodiversity and energy generation. In 2024/25 we will begin implementing early action projects across all three to support our ambitions to transition to net zero.

Building decarbonisation

During 2024/25 our primary focus will be developing a decarbonisation strategy and option appraisal for the Brunel Building at the Scottish Enterprise Technology Park.

In addition to this we will:

- Increase the provision of Automatic Meter Readings (AMRs) / improve utility consumption reporting across the portfolio including FRI leases.
- Rollout the IPP boiler replacement programme.
- Update the portfolios current Energy Performance Certificate's.
- Upgrade internal and external lighting to more energy efficient installations.
- Explore the installation of EV chargers throughout the IPP, with installation at Scottish Enterprise Technology Park already completed.
- Review current solar panel provision within the IPP and investigate whether a programme could be rolled out across the portfolio.
- Carry out other day-to-day operational tasks relating to energy conservation.

Enhancing biodiversity

A baseline of biodiversity quality and carbon storage potential has been developed across our portfolio. We aim to create alignment across all our sites to support biodiversity planning and to implement an improvement roadmap. To support this, we appointed a new landscape and environmental consultant in July 2023.

There are already early action projects underway at the Scottish Enterprise Technology Park and Edinburgh BioQuarter. These are implementing improvement action plans which align best with seasonal opportunities for biodiversity enhancement. In 2024/25 we will scope up to three new additional projects.

Energy generation

The initial assessment of our portfolio considered how specific land assets could be used for renewable energy development and use - principally solar generation and battery storage solutions. We identified land parcels representing the best technical and commercial opportunities. Soft market testing of opportunity sites found an appetite among developers to work with us to unlock these. We will bring these opportunities to market during 2024/25.

Our innovation and place activities include support for the development of key strategic locations. In 2024/25 we will strengthen the alignment and contribution of place-based innovation project activities alongside partners and businesses to support the transition to net zero. This will include actively supporting the Just Transition to net zero at [Grangemouth](#), the [Energy Transition Zone](#), [Arrol Gibb Innovation Campus](#) and the [Advanced Manufacturing Innovation District Scotland](#) (AMIDS) alongside other innovation districts and development of industrial land at ports and harbours.

We also engage with a broad range of stakeholders including regional economic partnerships working with them to address economic opportunities and decarbonisation activity aligned with our missions and net zero ambitions. These activities will include continuous development of the [Tay Cities Clean Growth Initiative](#) and engaging with partners to play our part in the development of the [Forth Green Freeport](#).

Clyde Gateway

In March 2023, we signed a Memorandum of Understanding (MoU) with [Clyde Gateway](#) to help deliver a £60 million construction programme over the next five years to create low carbon energy efficient business space for manufacturing occupiers.

Clyde Gateway is an urban regeneration company which exists to drive inward investment and improvement for the people and communities across the east end of Glasgow and South Lanarkshire. It is a partnership between ourselves, [Glasgow City Council](#), and [South Lanarkshire Council](#) backed by funding and direct support from the Scottish Government.

The Scottish Government has identified manufacturing as one of the sectors most likely to drive future economic growth in the economy. It believes it has the potential to create high value jobs, deliver high levels of productivity and innovation, increase exports and stimulate investment in equipment and processes. Access to suitable manufacturing sites and premises is a crucial part of the mix to deliver this anticipated growth.

The first project to be brought forward under the MoU is Clyde Gateway East, which comprises the construction of three manufacturing units providing a total of 5,369 sq. m of high

specification sustainable space with low energy lighting, air source heat pumps for office heating and solar panels on the roof for energy generation. Occupiers will also benefit from dedicated parking including Electric Vehicle charging points. The buildings will be able to access a “smart” electrical power grid, improving the efficiency, reliability, and economics of an organisation’s needs. The units are targeting environmental accreditation of an EPC “A” rating and BREEAM “Excellent”.

Scottish Enterprise is investing £2.4 million on a participatory grant basis towards overall project costs of £10.2 million. Other funders include Scottish Government (Regeneration Capital Grant Fund), Glasgow City Council (Vacant and Derelict Land Fund) and Clyde Gateway Developments Limited.

“This innovative agreement provides significant investment to fast track the delivery of much needed new, fit for purpose and sustainable manufacturing and business space.”

Martin McKay

Clyde Gateway’s Chief Executive

Michelin Scotland Innovation Parc – Innovation Hub

The [Michelin Scotland Innovation Parc](#) (MSIP), a joint venture between Scottish Enterprise, Michelin and Dundee City Council, is a world-class Innovation Parc in Dundee. Focused on sustainable innovation, it aims to drive growth and transformation in the Scottish economy whilst addressing the global climate emergency. Transforming the former tyre factory into a world-leading Innovation Parc, supported by Team Scotland partners, has resulted in the development of [The Skills Academy](#), [Innovation Labs](#) and [Innovation Hub](#) on the site. As well as a successful [Accelerator Programme](#). To date 16 tenant companies are onsite, employing an estimated total of 135 people.

Opened in November 2023, the Innovation Hub is a significant milestone for MSIP, providing a focal point for the change from a manufacturing site to an Innovation Parc. Located at the heart of the Parc, the Innovation Hub will harness expertise and entrepreneurial activity, offering businesses and tenants space to co-locate and work with partners, clients and academia. These facilities will enhance the ongoing innovation activity led by MSIP - including development of company and university-based partnerships and collaborations, support for equity investment into companies, delivery of the MSIP accelerator programme and the MSIP Innovation challenge.

Sustainability was at the core of the construction design for the Innovation Hub. We supported the construction cost contributing £1.45 million in funding to allow for the use of a Glulam (glued laminated timber) and CLT (cross laminated timber) structure to be used in place of a conventional steel construction, saving an estimated 715 tonnes of CO₂e. The materials used are a sustainable alternative to steel, concrete, and plasterboard, and are manufactured off-site to precise size specifications, resulting in little to no waste in the construction phase. The use of these materials from sustainably managed forests, FSC certified, reduces the buildings carbon footprint in two ways; less carbon dioxide is generated during the production of Glulam and CLT than conventional building materials and the use of wood as the principal building material locks away the carbon stored for the lifetime of the building.

Beyond the sustainable construction of the Innovation Hub, MSIP offers renewable energy solutions, meaning those businesses located at MSIP can access sustainable energy at no additional cost. There is on site wind generation, provided by 2 x 2MW wind turbines and tenants can place solar panels on the roof of their workshops. In addition to this, technology purchased to allow the MSIP site to tap into the

neighbouring MEB Energy from Waste plant to provide sustainable heat through a steam pipeline replaces the need for natural gas. The Innovation Hub is one of the first buildings on the Parc to use this heat source.



Enabling activities

Last year, following research and consultation, we agreed how we would recognise the links between – and our approach to – net zero, fair work and equalities, diversity and inclusion (EDI). We are now using the language of **“supporting a responsible and sustainable economy”** and **“helping businesses adopt responsible and sustainable practices”**. Growing evidence demonstrates that businesses who adopt these practices benefit from greater business competitiveness and productivity.



- Photo previous page: MSIP Innovation Hub Launch, Photographer – Graeme Hart, Perthshire Picture Agency
- Left: Scottish Enterprise colleagues

In 2023/24, we made progress in quantifying the carbon footprint and impact of our Business Plan outcome measures to provide a baseline of our total Scope 3 emissions relative to the support we provide. We will soon have a full three years of data - in the year ahead, we will analyse this data and identify potential ways to reduce those emissions. This will include reviewing our approach to project appraisal and development to target higher-emitting projects and companies and providing support to help reduce emissions.

We successfully delivered our ‘Leading in Net Zero’ climate literacy programme in 2023/24 to 642 staff across the organisation. We will continue to develop and update our resources for staff to help them apply this learning to their individual roles and maintain this momentum of capacity building and learning. We will also ensure that new colleagues can undertake climate literacy training and receive guidance on our approach to net zero through our induction programme.

Leading in Net Zero

In partnership with the Verdancy Group, Scottish Enterprise developed and delivered a tailored climate literacy programme for all staff. The ‘Leading in Net Zero’ course was designed to increase the knowledge of Scottish Enterprise staff on climate change, and how our organisation is supporting the transition to net zero.

The course was structured in two parts. Part 1 consisted of four online modules, providing context and background on climate change, setting out SE’s role and explained ‘how’ we can influence change as an organisation. Part 2 was a one hour live interactive session with one of our senior leaders, to get feedback on the course, understand what it means for SE in undertaking our roles and to give colleagues the opportunity to flag their ideas on potential future activities to be embedded in our net zero transition planning.

The programme was also accredited by the [Institute of Environmental Management and Assessment](#) (IEMA), as an ‘Introduction to Net Zero’ course.

A total of 642 staff successfully completed the ‘Leading in Net Zero’ training programme. In 2021/22, leaders across Scottish Enterprise also received climate literacy training, delivered by the Royal Scottish Geographical Society. Almost 60% of colleagues across the organisation have now completed one of the climate literacy programmes we offered.

Emissions already present in the atmosphere mean that even if we were to reach net zero globally tomorrow, we would still need to adapt to climate change for several decades. In order to ensure domestic and international supply chain resilience, it is important to increase business awareness and capacity to adapt to climate change. Scotland's National Adaptation Plan 3 (SNAP3) is due to be published in Autumn 2024. As part of the delivery of this new plan, we will support action that businesses can take to develop supply chain resilience and innovation opportunities, working alongside partners such as [Adaptation Scotland](#)

Alongside the challenges of adapting to a changing climate, are the impacts from biodiversity loss. As outlined in previous frameworks, a thriving, growing and resilient economy needs nature. This year we published our three-year [Biodiversity Duty Report 2021-2023](#), outlining how we have supported the improvement and protection of biodiversity across our operations. An important aspect of this is the support to help companies benefit from and invest in, nature-based opportunities as an integral part of the investment, innovation and internationalisation support we provide. We will continue to provide support to deliver nature-based solutions which are essential to business growth and competitiveness, helping to mitigate impacts from biodiversity loss.



Becoming a net zero development agency by 2040

We are committed to achieving net zero by 2040, with an interim target of 70% by 2025 compared with our 2015/16 baseline.

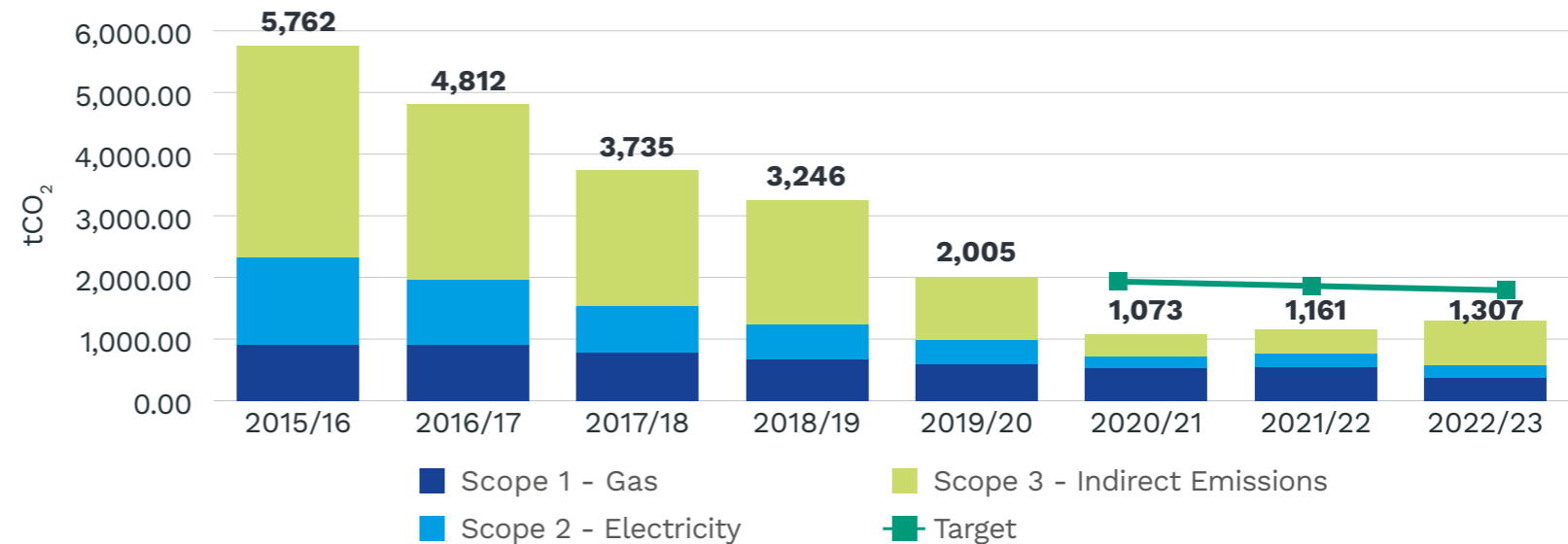
We are making positive progress and are on course to meet both of these targets. Overall, we have achieved **a 77% reduction in emissions in 2023** compared with the 2015/16 baseline.

We continue to see a small rebound from the decrease in emissions which occurred during the COVID-19 pandemic, reporting a 3% increase in emissions from the previous reporting year (2021/22). This increase was anticipated, and we project there may be another slight increase during 2023/24 before a plateau.

We have fully embedded a process to monitor business travel emissions on an ongoing basis across our divisions, highlighting any risk of exceeding limits. Supporting this, we have six leadership advocates representing each division. They receive monthly updates showing travel statistics within their division which is shared with their leadership teams allowing them to review and manage travel emissions.

Whilst we are on track, we are not easing our pursuit to net zero and continually look for new ways to adapt and respond to changes in ways of working to support our carbon footprint reduction.

Emissions reduction from baseline year



Scope 3 figures shown do not include any emissions resulting from SE's operational support. We are continuing to develop a model to baseline the Scope 3 emissions related to SE's operational activities as part of our 2024/25 plan.

*Full Scottish Enterprise Climate Change Report 2022/23 can be downloaded from [the Sustainable Scotland Network](#) website.

Photos previous page

- Top: Aerial view of Peatland Forest
- Bottom: Staff member in the growth tower at IGS Ltd, The James Hutton Institute Dundee

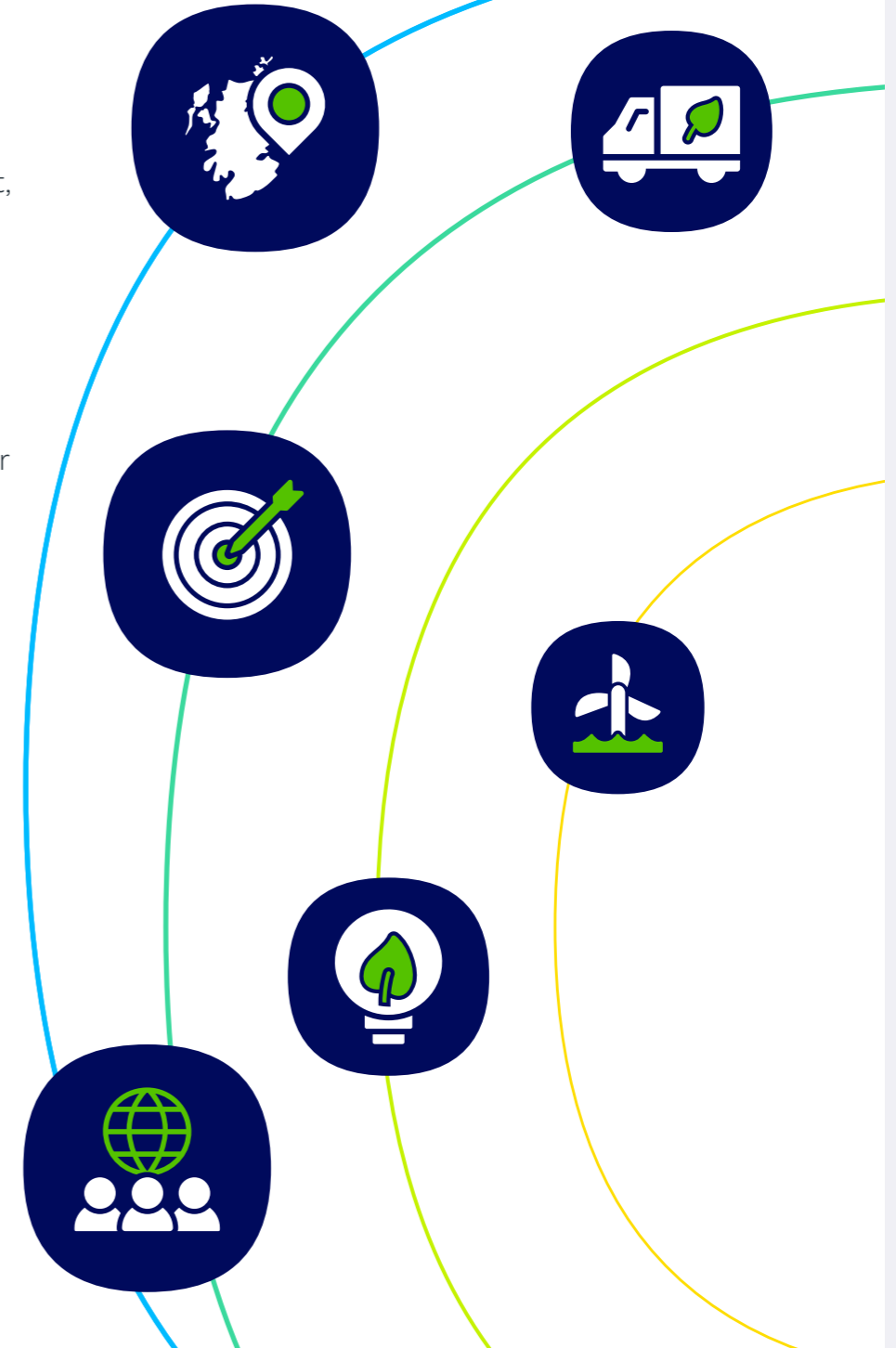
In 2024/25 we will focus on:

Net zero target - Due to the good progress we are making towards our target we have brought our net zero review date forward from Q4 2025 to Q3 2024. The review will include:

- A full gap analysis against all emissions in all scopes
- A retrospective and prospective analysis of data
- A route map signposting the main areas required to achieve net zero
- Analysis of inseting and offsetting opportunities

Digital emissions – Our new website design system has enabled a significant reduction in CO₂e across the three websites we manage – scottish-enterprise.com, sdi.co.uk and findbusinesssupport.gov.uk. The total emissions have reduced by almost 60% since our baseline (2021/22). In addition to this we have been rationalising our information through ongoing management, archiving and disposal. In the year ahead we will embed digital sustainability across all teams asking them to address digital emissions as a core part of their planning.

Procurement – We are continuing to actively promote net zero in our procurement processes. Where proportionate and relevant to the contract, we require suppliers to provide evidence in terms of how they will address emissions as part of their contract, as well as their commitment to net zero by submitting their organisational strategy and plans to achieve this as part of tender submissions. Our approach to sustainable procurement is now embedded in our Procurement Strategy.



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