

Scottish Enterprise Net Zero Plan

2025 – 26





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Photos
Front cover: European Offshore Wind Development Centre, Aberdeen
This page: Green Hydrogen factory © Scharfsinn/Alamy Stock Photo

Foreword

In 2021, we published our four-year plan that set out Scottish Enterprise's ambition to **lead, influence and create opportunities** for Scotland's just transition to net zero.

This new net zero plan for 2025–26, sets out fresh objectives – while maintaining our original ambition. Our approach to net zero focuses on backing ambitious companies to capitalise on the most significant net zero market opportunities and create high-value jobs. It also supports the reduction of emissions, stimulates circular economy business practices, supports a just transition and ensures long-term business growth by adapting to climate change impacts.

We will continue to champion impactful, responsible and sustainable economic development, ensuring that economic success also benefits people and the planet.

Scottish Enterprise's corporate strategy '[Our Focus on Economic Transformation](#)', positions net zero alongside fair work and equalities, diversity and inclusion (EDI) as critical drivers of business competitiveness.

This strategy sets out our three missions:

1. Accelerating the energy transition

2. Scaling innovation

3. Boosting capital investment

Net zero plays a crucial role in achieving all three missions.

In our final year of the Net Zero Framework for Action, we made significant progress. I am delighted by the strides we have made since 2021, both as an organisation and in the support we have provided to companies.

We surpassed our 2025 goal to decarbonise our operations by 70% from our 2015/16 baseline, and exceeded our interim target of 75% by 2030, achieving a total emissions reduction of 79% by 2023/24. This substantial achievement has encouraged us to be even more ambitious, bringing forward our target date to become **net zero by five years – to 2035**.

We supported companies through targeted funding support (such as to [Simon Howie Butchers Limited](#) to install a fully integrated energy system), 1-2-1 expert advice and the creation of new guides and tailored tools. Our team of Sustainability Specialists also designed and delivered the Net Zero Academy, with over 80 companies completing the training programme to date.

This year we are raising our ambition even further setting two new objectives for Scottish Enterprise as an organisation and five objectives for the support we provide to companies. Through these objectives we want to:

- Enhance our support to companies, helping them identify effective pathways to reduce emissions and leverage net zero market opportunities
- Embed our net zero approach across the organisation in everything we do
- Proactively consider the risks from climate change impacts, to ensure business resilience and continued growth
- Continue to decarbonise our operations.


We aim to support ambitious businesses to innovate and scale internationally to transform the economy, delivering a more successful, greener, and fairer Scotland. Together, with our partners and the businesses we work with, **we can lead the way and make Scotland a global leader in the just transition to net zero.**

Adrian Gillespie
Chief Executive



2024 – 25 Progress

Our key achievements for 2024/25 include:



By the 2023/24¹ reporting year we achieved a

79%

reduction in Scope 1, 2 and 3 emissions (within our existing reporting boundaries²) compared with the 2015/16 baseline



We delivered 4 cohorts of our Net Zero Academy training programme to

68

delegates across **54 companies**



We helped to create and/or safeguard

3,528

green jobs, paying the real living wage



To support companies in Scotland we **provided targeted training** on business resilience and climate adaptation to

13 Scottish Enterprise business advisers

and an all-staff webinar, working in partnership with Adaptation Scotland



61

circular economy projects supported



We delivered our **Product Carbon Footprinting Programme** to

11 companies



1,449.41K

tonnes of CO₂ savings from our supported businesses/projects



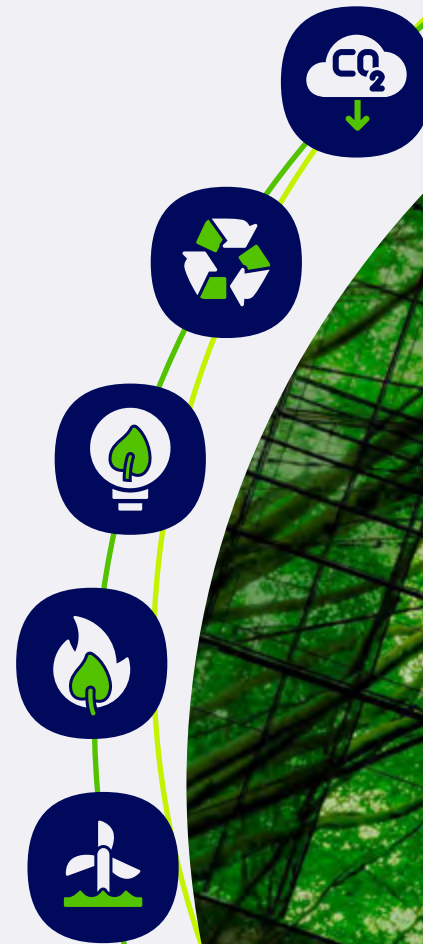
We **launched our**

Digital, Data & AI strategy

for 2025-28, committing to responsible development and use of these technologies, with a focus on understanding and reducing our scope 3 emissions

1. Scottish Enterprise operating emissions are calculated 1 year in arrears
2. In 2025/26 we are updating our reporting boundaries for calculating our emissions

Our Operational Emissions



Achieving net zero is central to our mission approach and organisational values. By setting ambitious targets, we demonstrate our dedication to sustainability and Scotland's net zero transition, showcasing our leadership in this effort.

Decarbonising how we operate is vital to this. Since 2021, when we first set our target to become a net zero development agency, our focus has been on reducing our Scope 1, 2 and 3 emissions related to our own operating emissions. While also beginning the process of baselining the emissions related to our company support (wider Scope 3 emissions).

Our main objective during 2024/25 was to review our net zero target. Due to the significant progress made towards our annual targets, we are setting a new target to become a net zero development agency by 2035. Therefore, emissions from the 2024/25 reporting year will be the final year reported within the 2040 net zero target.

In addition to this progress, we also collected a 3rd year of data on our wider Scope 3 emissions, quantifying the carbon footprint and impact of our Business Plan outcome measures. We now have three years of data collected on a consistent basis and integrated into the Scottish Enterprise impact model. In the year ahead, we will use this data to analyse results and begin to identify measures to reduce those emissions.

We have identified two objectives for 2025 – 26, in line with our increased ambition and new reporting requirements:



We are committed to becoming a **Net Zero development agency by 2035**



We will undertake a **climate change risk assessment** in 2025 – 26

Scottish Enterprise staff at Atrium Court - Glasgow



Net Zero Ambition

We are committed to becoming a Net Zero development agency by 2035

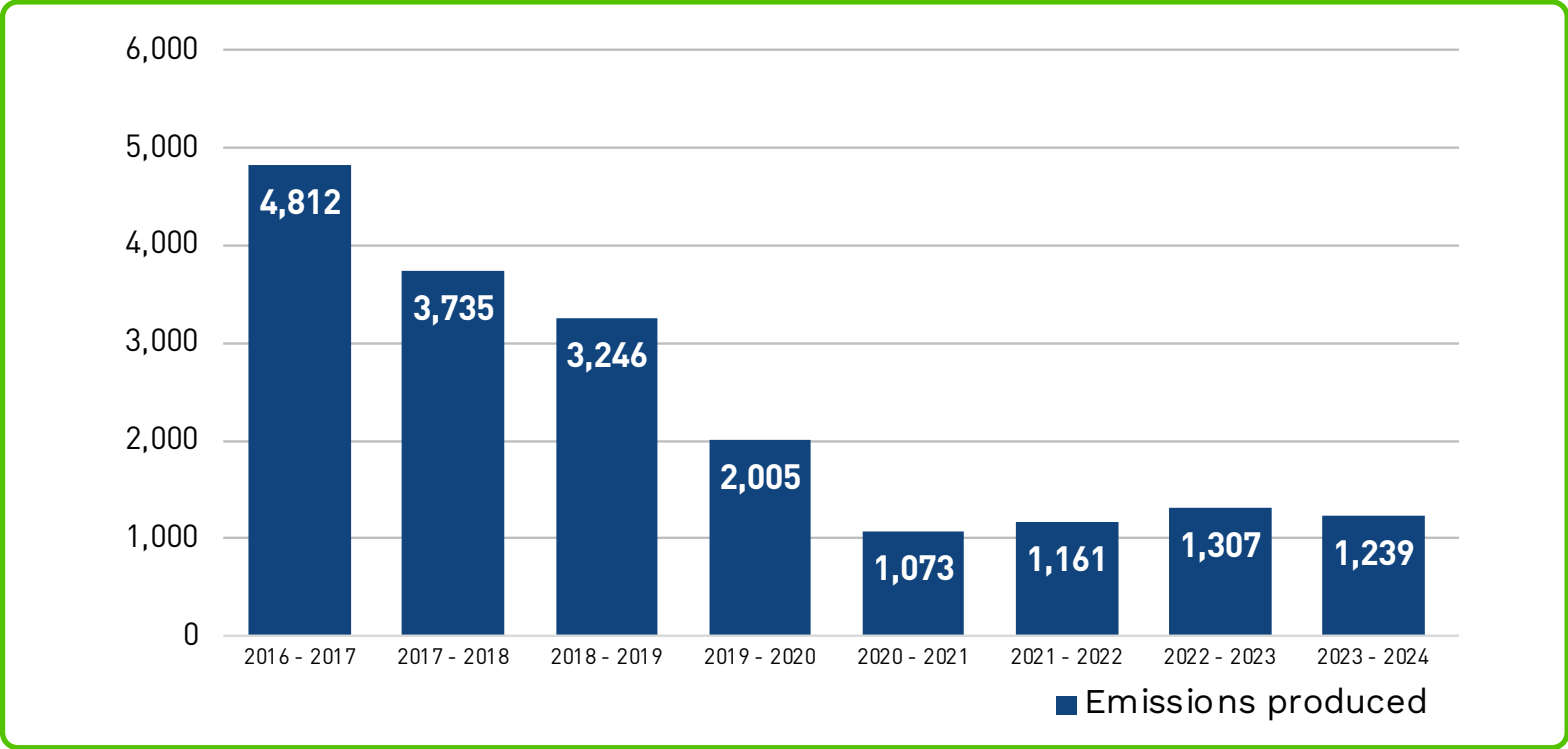
We have made significant progress to date, achieving greater reductions than our forecasts in 2021 had modelled.

By 2023/24 we had achieved a **79% reduction** in Scope 1, 2 and 3 emissions (within our existing reporting boundaries³) compared with the 2015/16 baseline. This surpassed both our 70% reduction by 2025 ambition, and our interim target to reduce emissions by 75% by 2030.

Overall, our emissions were **28%** lower than our target for the reporting year. We reduced emissions by a total of **5% (69 tCO₂e)** from the previous reporting year. While travel emissions from flights and cars increased during 2023/24, the emissions remained under the target boundary. The chart below illustrates our emission reduction over time based on the 2040 net zero target.

3. Reporting boundaries set for our 2040 net zero target

The chart below illustrates our emission reduction over time based on the 2040 net zero target.



The graph shows that we saw a small rebound in reporting years 2021/22 and 2022/2023 from the decrease in emissions which occurred during the COVID-19 pandemic. This increase was anticipated.

Our data now shows that our emissions reduction is beginning to normalise again. We have remained within our boundaries to reach our net zero target since 2021.

95% reduction in emissions by 2035

Scope 1 - Direct



Burned fuel from companies facilities (natural gas)

Scope 2 - Indirect



Purchased electricity

Scope 3 - Indirect



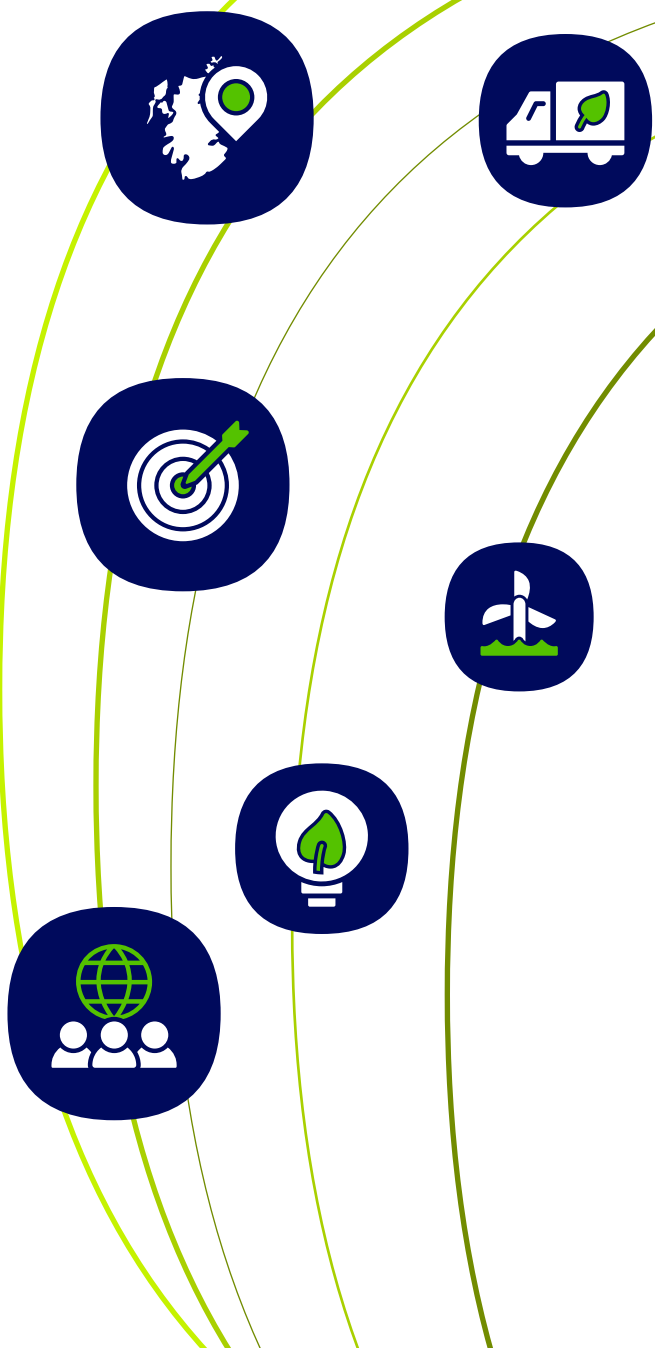
Business travel
Waste
Water



To reflect our ambition and the significant progress we have made to date – we are setting a new commitment to **reach net zero by 2035 – 5 years ahead** of our original target set in 2021. This came into effect as of 1st April 2025.

Our goal is to achieve a **95% reduction in emissions** in scopes 1, 2, and part of scope 3 to reach our new 2035 target, with the remaining 5% being in/offset. These reduction targets continue to be compared to our 2015/16 baseline.

We have also set an interim target to achieve a **91% reduction in emissions by 2030** with annual progress reviews taking place.



Our priorities for 2025 – 26

In 2025/26 we will focus on 3 areas:

1. Embedding our new net zero target

We will work towards embedding our new net zero target and projects that will help us achieve our annual reduction targets as we progress towards the interim review in 2030.

2. Wider scope 3 emissions

We will continue to collect baseline data on our wider scope 3 emissions. Following this, we will work towards establishing reduction targets for these areas.

Our wider Scope 3 emissions include:

- Purchased goods and services
- Business travel*
- Commuting
- Homeworking
- Leased assets
- Investments
- External Delivery of economic development activity
- Digital & AI

3. In/off setting

We will work with partners and colleagues to identify suitable in/off setting projects for any residual emissions, planning ahead to what will be required in 2035.

Underpinning these three areas of focus, is the decarbonisation of our facilities, managed properties, investment place portfolio and digital emissions

Our facilities and managed properties

Our environmental management system, covering our office facilities and shared areas of our managed properties, is certified to ISO 14001. The 2025 audit, conducted by National Quality Assurance Limited (nqa), resulted in no areas of improvement or non-conformances while identifying areas of best practice. **“Best practice worthy of noting of the statutory inspections and waste transfer notes checked by the client in the offices where they are only a tenant.”**

We will begin a new three-year certification cycle in 2026.



Second target to be set

Scope 3 - Indirect



- **Scottish Enterprise external delivery of economic development support**
- **Digital & AI**
- **Procurement (Incl capital goods)**
- **Homeworking**
- **Employee commuting**

*Business travel emissions not currently captured in existing target boundaries e.g. buses, taxis

Investment & Place Property Portfolio

Scottish Enterprise manages 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 Property Portfolio a strategy and approach to decarbonise the portfolio through to 2035 has been developed, in line with our new target.

This approach has three workstreams –

a) **building decarbonisation**, b) **enhancing biodiversity** and c) **energy generation**.

In 2025–26 we will continue to develop and implement early action projects across all three workstreams to support our ambitions to transition to net zero.

a) Building decarbonisation

A detailed building by building action plan has been developed for the wider portfolio that contains actions to enhance energy efficiency and deliver decarbonisation.

During 2025–26 we will focus on:

- Increasing the provision of Automatic Meter Readings (AMRs) / improving utility consumption reporting across the portfolio including FRI leases.
- Updating the portfolios current Energy Performance Certificate's.
- Upgrading internal and external lighting to more energy efficient installations.
- Exploring the installation of EV chargers throughout the IPP.
- Reviewing current solar panel provision within the IPP and investigate whether a programme could be rolled out across the portfolio.
- Carrying out other day-to-day operational tasks relating to energy conservation.

b) Enhancing biodiversity

A baseline of biodiversity quality and carbon storage potential has also been developed across our portfolio. We aim to create alignment across all our sites to support biodiversity planning and to implement an improvement roadmap.

There are 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.

c) 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 2025–26, exploring the potential for installation of Solar PV across our portfolio where viable.

Digital Emissions

Within our Digital, Data & IT team, a new Digital Sustainability Group has been created to deliver our strategy to reduce digital carbon emissions. This group will look holistically at this area and implement measures to support the decarbonisation of the organisation.

According to [digital decarb](#), saving and storing 100 gigabytes of data in the cloud per year results in a carbon footprint of approximately 0.2 tons of CO₂. The storage of files and emails can add up over time for a large organisation. At the beginning of 2025–26 we are undertaking a Spring Clean initiative to help raise awareness of the amount of data stored by colleagues across our systems, such as inboxes, providing support to help colleagues reduce the amount of data stored and the emissions generated as a result. We will also introduce retention labels on Microsoft 365 content like files and emails to automate and expedite the disposal of unneeded or expired data.

Following a review, we are also procuring a new Enterprise Resource Management (ERP) system to replace our current suite of finance systems. It is anticipated that this will lead to a reduced number of systems overall, and a reduction in digital emissions.

Scottish Enterprise staff at Atrium Court - Glasgow



Climate Change Adaptation

We will undertake a climate change risk assessment in 2025 – 26

The Scottish Government recently published its third [National Adaptation Plan 2024 – 2029](#) (SNAP3), setting out actions to build Scotland’s resilience and response to the impacts of climate change.

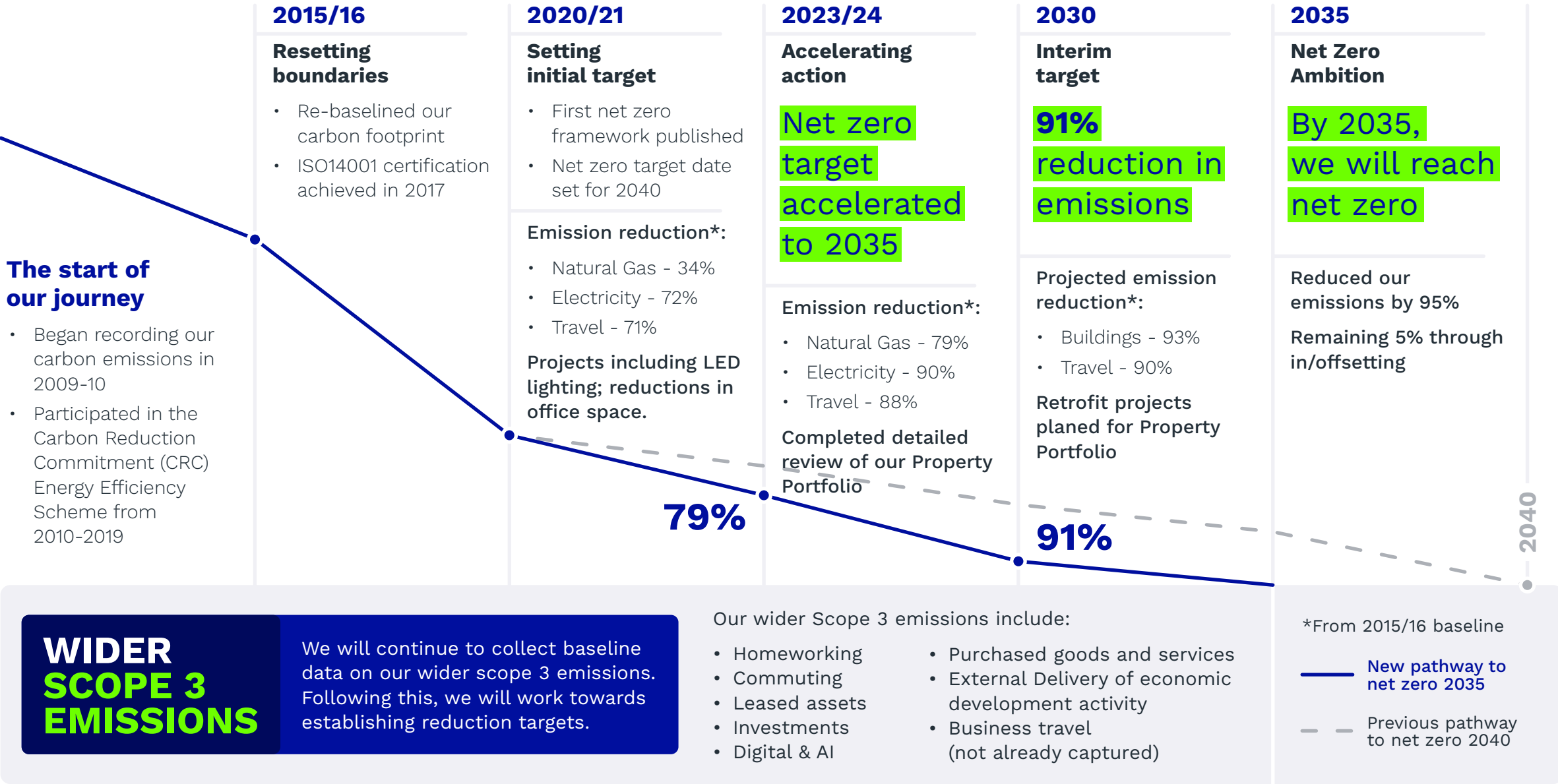
Emissions reduction is only one side of the equation in responding to climate change - those emissions already present in the atmosphere will continue to impact our climate for decades ahead and will affect all organisations. It is therefore imperative that action is taken to support future resilience. Scottish Enterprise is fully committed to supporting the transition to net zero, and that includes building our understanding, and implementing a clear, informed approach to respond to climate change impacts.

In 2025 – 26 we will enhance our approach to building a greater understanding of the climate risks and vulnerabilities to our organisation. We will conduct an assessment; the outcomes of which will be used to develop a corporate adaptation plan which includes just transition principles.

Aerial view of Peatland



Our Net Zero roadmap



Supporting Scotland's Just Transition to Net Zero

A cutting-edge robotic arm operates in a vertical hydroponic indoor farm
© Tomasz Wyszolmirski/Alamy Stock Photo



Since we first launched our net zero ambition in 2021, our approach has been to **lead, influence and create opportunities** for Scotland's just transition to net zero. As the global response to climate change continues to grow, with new emerging technologies and innovation, our ambition is more crucial than ever.

We are focused on supporting ambitious growth-minded companies and embedding net zero across everything we do to increase Scotland's sustainable prosperity.

In January 2024, we launched our Scottish Enterprise strategy, '[Our focus on economic transformation](#)'. This strategy outlines our commitment to creating high-value jobs, boosting productivity and generating 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.

Our refreshed approach focuses on three missions to deliver greater impact:

- **Accelerating the energy transition:** Creating an internationally competitive energy transition economy in Scotland by 2030.
- **Boosting Capital Investment:** 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.

Our net zero approach focuses on delivering net zero market opportunities, supporting businesses and industries to become more competitive. We back ambitious companies, to adopt business practices which unlock greater comparative advantage, while reducing risk. This approach is core to the delivery of all three missions.

[The Scottish Enterprise Operating Plan 2025 – 2028](#) outlines the milestones over the next three years to bring us closer to achieving our missions. Our mission plans embed our net zero approach. Some examples of this include:

- Enabling the creation of 44,000 new and transitioned jobs in the energy sector over the next decade
- Focusing on high-potential opportunities such as offshore wind, hydrogen and clean heat
- Accelerating technology innovation, supply chain capability and investment in manufacturing and key infrastructure - ensuring businesses can compete internationally and move the dial towards Scotland's transition to net zero

- Bringing new industrial growth to Grangemouth, by establishing a low carbon manufacturing hub through investable green energy propositions, including sustainable aviation fuels
- Growing our innovation assets in high-growth industries of the future, including industrial biotechnology, advancements in this area will aid our transition to net zero by making bio-based processes more efficient and economically beneficial
- Boosting the appetite of companies to invest in modern and efficient equipment and processes, lowering emissions and increasing productivity

For 2025–26 we have identified 5 objectives to support our focus on economic transformation:



We will help **drive business competitiveness** by supporting 300 companies to decarbonise their operations in 2025–26



We will raise awareness of adaptation risks and opportunities, and **gather evidence on adaptation readiness from supported companies** using Scottish Enterprise’s refreshed net zero accelerator tool



We will require investee companies seeking new debt and equity investment opportunities to operate within **our Responsible Investment Framework (RIF)** from 1 June 2025



We will develop a suite of **strategic propositions to promote Grangemouth** as a location of choice for net zero fuels and chemicals manufacturing



We will raise awareness and gather evidence on the challenges and opportunities for Scottish Enterprise supported companies **on critical raw materials and technologies**

Within these objectives we will focus on capitalising on net zero market opportunities, adapting to climate change, stimulating circular economy practices and business models, and supporting green jobs and a just transition for businesses and sectors.

To support companies in Scotland, we will also continue to look for opportunities to upskill Scottish Enterprise colleagues on all aspects of climate literacy, including working with partners to provide specific training on key areas such as climate change adaptation.

Driving business competitiveness

We will help drive business competitiveness by supporting 300 companies to decarbonise their operations in 2025–26

Our mission approach helps to better target our expertise and resources, ensuring that we focus on the biggest opportunities to drive economic transformation. By concentrating efforts where Scotland has the greatest competitive edge, we can unlock investment, accelerate innovation and create global impact.

Supporting businesses to implement responsible and sustainable business practices is integral to this approach to drive greater business competitiveness. Responsible and sustainable business practices that stimulate innovation and efficiency not only enhance the resilience and reputation of businesses but also position them as leaders in a rapidly evolving market.

We also recognise that net zero, fair work, equality, diversity, and inclusion are interconnected drivers of business competitiveness.

Innovative businesses, who adopt these practices are much better placed to capitalise on global market opportunities and attract investment, customers and employees. These businesses will benefit from a greater comparative advantage, while delivering a more climate resilient economy.

An example of how implementing responsible and sustainable business practices can create significant benefits for companies – is demonstrated in a new report published by B Lab UK. According to the data gathered, Certified B Corporations (also known as B Corps) outperform ordinary businesses across multiple metrics including revenue growth and talent acquisition. Between 2023 and 2024, small and medium-sized UK B Corps saw a 23.2% increase in turnover, compared to the national average of 16.8%, and a 9.6% increase in employee headcount, compared to a national decrease of 0.5%.

We are continuously advancing our support for companies, helping them identify effective pathways to reduce emissions and leverage opportunities from the global net zero transition.

To support our objective of supporting 300 companies in 2025–26, we will:

- Deliver four new cohorts of our **Net Zero Academy**, supporting approximately 50 companies. First launched in 2023, the academy provides expert advice and guidance to Scottish companies on how to develop their own net zero plans, over a three-day programme, accredited by the Institute of Environmental Management and Assessment (IEMA).
- Continue to develop **tailored resources and tools for companies**, enabling them to support decarbonisation and adopt sustainable business practices, such as our [business sustainability and net zero guides](#).
- Enable companies to develop innovative solutions and technologies, through our **funding support and 1-2-1 expert advice**.
- Launch our refreshed [Net Zero Accelerator online diagnostic tool](#) (April 2025).

Net Zero Accelerator

Scottish Enterprise's refreshed Net Zero Accelerator (NZA) is a simple, online diagnostic tool to support companies. Businesses can complete the tool to help them understand their current net zero maturity level. Designed to support businesses of all sizes - the tool asks 25 multiple choice questions to establish what stage a business is at and generates a tailored action plan based on their responses, containing useful, actionable guidance and resources that will aid their progress to net zero.

In addition to being a useful benchmarking tool for any business to use the net zero accelerator is an integral element of Scottish Enterprise's approach to net zero conditionality. Where we are providing funding to a company and they do not already have a net zero plan in place, or when the value of our financial assistance is less than £10,000, the funding recipient should complete the tool within 6 weeks of contract award.

[The Net Zero Accelerator is available online now.](#)

- Continue our approach to **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 provide guidance to help them develop one.
- Provide ongoing **support for large scale decarbonisation**, through Environmental Aid projects. Since January 2023 Scottish Enterprise has committed £13M towards Environmental Aid projects with a total capital expenditure of £43.8M. These projects have created or safeguarded almost 260 jobs and led to identified CO₂ savings of 1.1m tonnes. As of April 2025, a strong pipeline of potential Environmental Aid projects exists and clear evidence of demand for these types of projects has been demonstrated by a compelling level of interest in a recent round of Industrial Decarbonisation funding launched by Scottish Government and supported by the enterprise agencies.

To support our aims and measure success, we will continue to track CO₂ savings from our supported businesses/projects, one of Scottish Enterprise's outcome performance measures. This is underpinned by the supporting measure to quantify the number of company interventions and projects contributing towards climate ambitions.



Decarbonising Deeside

[Deeside Timberframe](#) (Deeside), one of Scotland's premier timber frame companies, is renowned for blending tradition with technology to create the homes of tomorrow. They are committed to quality, sustainability, and exceptional service, leveraging precision engineering for cost and time efficiency, as well as reduced environmental impact.

Net Zero Academy Participation

In November 2023, Deeside was one of the first companies to participate in the [Institute of Environmental Management and Assessment](#) (IEMA) approved Net Zero Academy. This initiative enabled the upskilling of their personnel, equipping them with the knowledge and tools necessary to develop and implement an in-house net zero plan.

By May 2024, Deeside had approved their [net zero plan](#) and commenced annual performance reporting. With a dedicated resource and robust senior management backing, Deeside has systematically implemented various measures to enhance productivity while minimising emissions. Their commitment extends beyond their organisation; they actively contribute to the wider industry by returning to the Net Zero Academy as a guest speaker, sharing insights and experiences with peers.

Renewables Assessment and Onsite Installation

Continuing their sustainability journey, Deeside was provided with an opportunity for an [OnGen](#) renewables assessment at their Stonehaven and Throsk sites. This assessment allowed a comparative analysis of costs for onsite renewable energy provision, informing budget considerations for such infrastructure.

The sustainability specialist team conducted the OnGen assessment, concluding that onsite solar power would significantly reduce energy overheads and emissions. Subsequently, Deeside collaborated with us to secure small capital grant funding of £32,000, helping to partially fund the installation of renewables at the Throsk facility, with future plans for the Stonehaven site.

Renewables installers, Distrikt Energy, were selected to oversee the installation. They completed the project ahead of schedule,

activating the system in December 2024. The solar panels are projected to generate 90,356 kWh of electricity annually, reducing Deeside's carbon footprint by 18.7 tCO₂e and cutting electricity costs by approximately £20,000 per year. Deeside's ongoing efforts not only enhance their operational efficiencies but also contribute to broader environmental goals, setting a benchmark for others to follow.

“We are immensely grateful for the support received from Scottish Enterprise, which has been instrumental in helping us calculate our emission footprint initially. More importantly, their support has enabled us to take significant steps to reduce our emissions by amending operational practices and installing onsite renewables.”

David Crawford,
Chief Executive Officer

We are immensely grateful for the support received from Scottish Enterprise, which has been instrumental in helping us calculate our emission footprint.

Responsible Investment

We will require investee companies seeking new debt and equity investment opportunities to operate within our Responsible Investment Framework (RIF) from 1 June 2025

Our [RIF](#) sets out the non-financial Environmental, Social and Governance (ESG) considerations we incorporate into our commercial investment activities.

We are committed to growing the Scottish economy for the benefit of all, helping create more high-quality jobs and a brighter future for every region. The Framework supports this commitment and our objectives of creating economic and societal value within our investee businesses, whilst effectively managing and mitigating risk.

As an active early-stage investor Scottish Enterprise is well positioned to influence the establishment of responsible business practices early within a business' lifecycle, so that they are ingrained in the culture as our portfolio businesses grow.

Our responsible investment approach has three drivers:

- 1. Financial performance and business resilience:** we believe effective management of non-financial topics and financial performance are closely linked. Strong non-financial-related performance and credentials can give companies a competitive edge by helping them stand out from their competitors and build resilience.
- 2. Sustainability outcomes:** our responsible investment approach aims to minimise any harmful impacts and maximise positive ones.
- 3. Access to finance for investee companies:** investors are increasingly looking for robust ESG management when allocating capital.

For us responsible investing means:

- Assessing non-financial information combined with financial information to form a comprehensive view of company value.
- Assessing and managing non-financial and financial aspects throughout the investment cycle.
- Operating as a patient investor.
- Providing accessible funding to support early-stage businesses that are contributing to our missions and making a positive impact on addressing societal issues.

Further information on our RIF is available via the Scottish Enterprise [website](#).

Zero Emissions Flights

ZeroAvia, a US green aircraft engine developer will establish its Hydrogen Centre of Excellence at the Advanced Manufacturing Innovation District Scotland (AMIDS). The centre will manufacture advanced fuel cell systems for its hydrogen-electric aero engines.

Scottish Enterprise has awarded a grant of £9 million to the project, building on an earlier £20 million investment in the company from the Scottish National Investment Bank. The grant will unlock significant multiple investments from ZeroAvia as it develops the facility and operations, with the company targeting a multi-billion pound global export market.

This inward investment opportunity will create up to 350 highly skilled jobs and supports the global transition to net zero.

ZeroAvia's engines can reduce operating costs for airlines and would cut aviation's

contribution to global warming by emitting only water. The company aims for an engine of up to 20 seat planes to enter service in 2026 and it is working on a powertrain for 40 to 80 seat aircraft.

“The aviation industry is on the cusp of the biggest transformation since the advent of the jet age, with entirely new propulsion systems set to power the next era of aviation – cleaner flights, better economics and better experiences for all.”

“With this new facility, Scotland has a big role to play in driving this transformation. We welcome the grant award from Scottish Enterprise and the support of our equity investors that has enabled us to move into another phase of manufacturing readiness as we progress towards certification of our first engines.”

Val Miftakhov,
Founder and Chief Executive, ZeroAvia.

With this new facility, Scotland has a big role to play in driving this transformation

Val Miftakhov, Founder and Chief Executive, ZeroAvia
with Adrian Gillespie, CEO Scottish Enterprise



Circular Economy

We will raise awareness and gather evidence on the challenges and opportunities for Scottish Enterprise supported companies on critical raw materials and technologies

Global concern on the availability of secure and adequate supplies of raw materials and technologies that are critical to economies world-wide is growing. In 2025, the World Economic Forum ranked 'Natural Resource Shortages' as the 4th most severe global risk in the next 10 years. The economy relies on raw material input and a growing number of these, deemed Critical Raw Materials or Minerals (CRMs), are classified as such because of their growing economic importance and high risk of supply shortage.

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.

We will place a focus this year on **critical raw materials and technologies**, by

- Publishing our insights research on critical raw materials and technologies, to support awareness raising - available on our website as a resource for Scottish companies, and external partners to support greater understanding of the rapidly changing global landscape impacting critical materials.
- Gathering evidence from our supported companies on their awareness of CRMs, the potential risks and challenges being experienced. One example of this, will be through company portfolio reviews, carried out by our team of Sustainability Specialists with our customer facing teams.

- Evidence we gather will allow us to build an understanding of company barriers, appetite and potential solutions, enabling us to develop a targeted approach to support companies.
- Continuing to work closely with partners including, Scottish Government, UK Government (DBT) and Zero Waste Scotland on future developments related to this area, and what this means for the Scottish economy.

To support this, we will continue to raise awareness and provide support to companies on circular economy opportunities. As part of the Performance Measurement Framework, we track the number of circular economy activities we have supported. Circular approaches create beneficial opportunities for businesses, including increased productivity and competitiveness, stimulating innovation and boosting job creation. In 2024–25 we supported 61 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 through 2025–26.

International Innovation Collaboration

Scottish Enterprise has 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. As part of the project, over the next few years Scottish Enterprise will work with European partners to cascade funding to SMEs to enable them to collaborate with European partners to progress research and develop products and services in the biotech sector, one of the strategic sectors identified under our Scaling Innovation Mission and contributing to **embracing the economic opportunities offered by the circular economy**.

We will explore further opportunities to use international collaboration to progress the development of a circular economy innovation ecosystem in Scotland, and support companies to capitalise on strategic market opportunities related to areas such as Critical Raw Materials.

ECIV Consortium Partners



Climate Change Adaptation

We will raise awareness of adaptation risks and opportunities, and gather evidence on adaptation readiness from supported companies using Scottish Enterprise's refreshed net zero accelerator tool.

Even if we achieve global net zero emissions tomorrow, the existing emissions in the atmosphere will necessitate adapting to climate change for many years to come. To maintain resilient supply chains both domestically and internationally, it is crucial to enhance business awareness and capability to adapt to climate change.

The [Scottish National Adaptation Plan 2024-2029](#) was published in September 2024. It sets out the actions to build Scotland's resilience to climate change. As part of the delivery of this new plan, we will support the outcomes on economy, business and industry. We will mainstream

adaptation action that businesses can take to develop supply chain resilience and innovation opportunities, through our sustainability advice, tools and guidance.

Utilising our newly refreshed [Net Zero Accelerator tool](#), we will gather evidence on business adaptation readiness, with a view to enhancing our advice and guidance on climate change resilience. We will work alongside partners such as Adaptation Scotland, to build understanding across Scottish Enterprise customer facing staff on climate change adaptation, and where to direct companies for further information and support tools.

Coastal route on the north east coast of Scotland



Just Transition

We will develop a suite of strategic propositions to promote Grangemouth as a location of choice for net zero fuels and chemicals manufacturing

As an economic development agency, Scottish Enterprise's role in the Just Transition focuses on supporting businesses to innovate and invest in new and growing market opportunities, to deliver a competitive future economy in Scotland that is also fair, green and growing. Our contribution includes

1. Supporting strategic planning to help rebalance Scotland's economy away from fossil fuel dependence so that sectors and regions can adapt to the net zero transition in a managed way
2. Helping businesses to innovate and invest in new and growing market opportunities
3. Ensuring fairness lies at the heart of employee practices in businesses

Working alongside partners and businesses our innovation activity supports the development of key strategic locations. This includes 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.

Aerial view Grangemouth chemical plant and Grangemouth docks Port infrastructure



Unlocking Renewables Opportunities

Scottish Enterprise is committed to supporting the development of ports and associated infrastructure for the energy transition. As part of this commitment a public private agreement has been reached to help expand operations and attract new investment at the Port of Montrose.

A Scottish Enterprise grant of £3.2m will support a £7.2m project to acquire and develop land just under two miles from the port. The new strategically important site, Montrose Port Industrial Park, will offer both existing and new companies greater flexibility

to grow and adapt alongside Scotland's thriving renewables sector.

This investment is part of the Scottish Government's commitment to invest up to £500m over five years to develop the offshore wind supply chain and leverage an additional £1.5b of private investment.

CEO of Montrose Port Authority, Tom Hutchison said **"This investment marks a pivotal moment for Montrose Port... we are delighted that Scottish Enterprise recognises the potential of this project and supports our vision for sustainable growth."**

We are delighted that Scottish Enterprise recognises the potential of this project and supports our vision for sustainable growth

The transformation of the Grangemouth cluster is crucial for Scotland's journey to Net Zero. Currently responsible for 27% of Scotland's industrial emissions, Grangemouth offers a unique opportunity for significant economic and environmental progress.

Scottish Enterprise alongside the Scottish and UK governments, is committed to transitioning Grangemouth into a leading hub for low-carbon energy and chemical manufacturing. This transformation involves attracting and developing cutting-edge technologies and businesses in areas such as chemicals, feedstocks, renewables, biofuels, and hydrogen.

Scottish Enterprise is coordinating across partners and leading efforts to:

- **Reduce industrial emissions:** Significantly lowering the carbon footprint of one of Scotland's largest industrial sites.
- **Create new jobs:** Generating employment opportunities in the burgeoning low-carbon sector.
- **Lead in sustainable energy:** Establishing Grangemouth as a model for sustainable industrial practices.

This strategic shift aligns with Scottish Enterprise's core missions of Accelerating the Energy Transition, Boosting Capital Investment and Scaling Innovation, setting the stage for a sustainable and prosperous future for Scotland.

Scottish Enterprise

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