

Our vision to make a positive difference

May 2024



Naturally *different.*

business stream
A SCOTTISH WATER COMPANY



Introduction

It's been nearly five years since we launched our vision to make a positive difference (MAPD) to our customers, our people, the environment and our local communities.

We aligned our plan to the Business in the Community (BiTC) Responsible Business Map (see image), designed to help organisations assess the contribution they make to the United Nations Sustainable Development Goals.

In 2023 we developed our 2023-25 Responsible Business Strategy, identifying the key objectives and commitments we'll be taking forward to achieve our vision and and our progress against each of these objectives is outlined in this Report. This is our third annual Sustainability Report, highlighting what we've delivered over the past year and our next steps.

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“**Our vision has become central to our business strategy and impacts every decision we make. I feel incredibly proud of what we’ve achieved to date and thankful to all our colleagues who have helped to bring our vision to life by joining one of our MAPD sub-groups, volunteering, raising money for our charities, helping our customers, or bringing forward new ideas to help us achieve our goals. We have ambitious plans for the year ahead and we’ll continue to work closely with our partners to help to address some of the key environmental and social challenges facing us today.**

Jo Dow, CEO | Business Stream

Our values

Our values define how we do things at Business Stream and help shape our culture.

When we refreshed our brand in 2021, we took the opportunity to ensure our values really reflect who we are as a business and our vision to make a positive difference:

Dependable – We keep our promises and respond to our customers' promptly

Knowledgeable – We're the water industry experts

Purposeful – We're committed to making a positive difference

Supportive – We're helpful and focus on delivering solutions

Progressive – We're forward-thinking and innovative.

We want our vision to reflect how we do things at Business Stream and for that ethos to underpin the key decisions we take as a business. To help us achieve this, our vision sits at the centre of our Performance Wheel, which we use to measure performance, at both an individual and company-wide level. In addition, it strongly influences our business strategy and key priorities, as evidenced in our Annual Report and Business Plan. We communicate our values regularly and every colleague is asked to evidence how they live by our values in their performance reviews.



Aligning our vision to the United Nations Sustainable Development Goals

The United Nations (UN) launched their 2030 Agenda for Sustainable Development in 2015, calling for all countries to work together to tackle some of the world’s most concerning issues, including the climate crisis, poverty and inequality.

To support this goal, the UN developed their 17 Sustainable Development Goals (also known as the SDGs).

SUSTAINABLE DEVELOPMENT GOALS

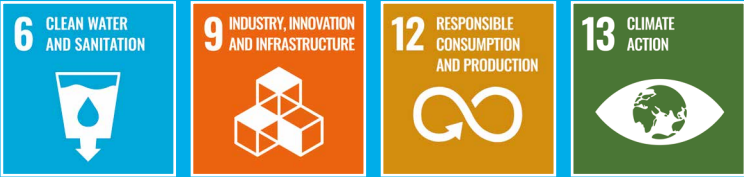


Our vision contributes to supporting 12 of these goals:

For the environment



For our customers



For our people



For our local communities



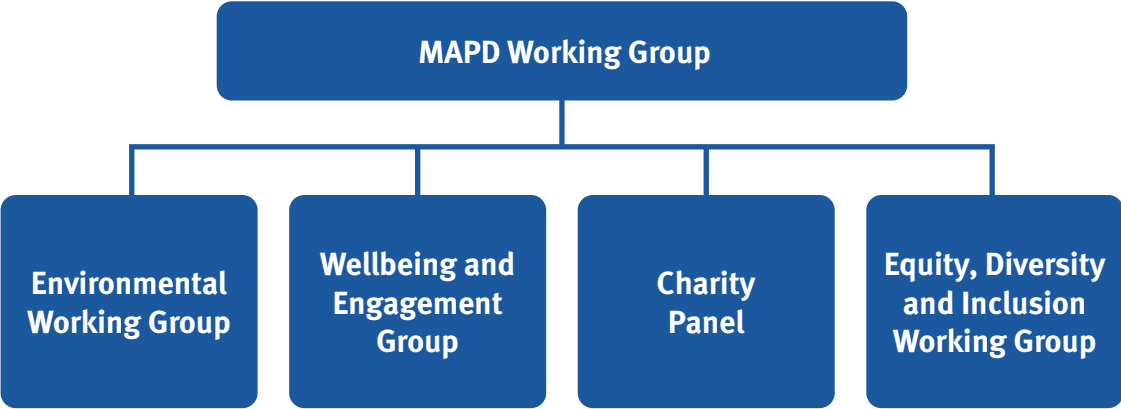
Governance

Responsibility for delivering our vision sits with our MAPD Working Group, which is chaired by our CEO and supported by our Head of Environmental, Social and Governance (ESG). The Group is made up of representatives from across the business.

To help support on the delivery of all our MAPD initiatives, we have a number of sub-groups. These include:

- our Environmental Working Group
- our Wellbeing and Engagement Group
- our Equity, Diversity and Inclusion (ED&I) Working Group, and
- our Charity Panel.

These groups provide our people with a real opportunity to drive forward our ambitions by contributing ideas and working together to help deliver initiatives which support our MAPD objectives. Each group includes a sponsor from our Executive Leadership team to help drive the delivery of our ambition.



“From the outset, it’s been really important to us that our colleagues played a key role in shaping our vision. We’ve provided lots of opportunities for colleagues to bring forward ideas and get involved to ensure that our vision is reflective of our values and what we stand for as a company.”

Sophia Goring, Head of ESG | Business Stream



Collective action

Stakeholder engagement, partnerships, and industry collaboration

To help shape our vision, we've engaged with both our internal and external stakeholders to gain their insight and views on how we can achieve our ambitions and to support the wider ESG agenda.



waterwise



DYW | Developing the
Young Workforce

SAMH
Scottish Action for Mental Health

External stakeholders and partners

We recognise that we can achieve more by working with our partners and key stakeholders to address key environmental and social issues. To that end, we have partnered with a number of external organisations, including:



Business in the Community (BITC) are the UK’s largest member organisation dedicated to supporting businesses to operate responsibly and sustainably. Our CEO is a member of the BiTC Scotland Advisory Board and we support BiTC’s programmes on a UK-wide basis.

Waterwise are the UK’s largest NGO focused on water conservation and water efficiency. We were the first water retailer to partner with them.

Ecologi are UK-based global climate action specialists. We’ve partnered with them to become certified as a carbon neutral company and to develop environmentally-led customer propositions supporting biodiversity projects within the UK.

We’ve partnered with **Scotland’s Towns Partnership (STP)** to deliver our commitment to support local communities across Scotland by supporting STP’s goals to build inspiring and sustainable towns and cities.

We’re working with **Career Ready** to deliver our goals to provide social mobility opportunities to young people. To further support the charity we’re also represented on Career Ready’s Edinburgh, Mid-Lothian and East Lothian Board.

We became the first water retailer to gain **Developing the Young Workforce (DYW)** Young Persons Employer guarantee status this year in recognition of our efforts and future commitments to support young people.

We’ve become a strategic partner of **Scottish Action for Mental Health (SAMH)** to help deliver vital funds and provide information, resources and support to colleagues to help protect their mental health.

In addition, we work with other organisations including Macmillan Cancer Support, Marine Conservation Society and our suppliers, all of which help guide our vision.



To help gauge our customers views on our vision and strategy, we’ve incorporated questions within our annual customer survey, providing us with an opportunity to measure awareness levels around our vision and identify where there is scope to make further improvements.

In addition, we’re in the process of conducting a materiality assessment with ten key stakeholders to review our Responsible Business Strategy targets to ensure our activities and goals are in line with our stakeholders’ expectations.

From an internal perspective, alongside our MAPD working groups, we’ve also incorporated questions around our vision in our annual colleague engagement survey to help ensure every colleague is given an opportunity to reflect on and contribute towards our commitment to our vision and strategy. We regularly seek feedback and views on our MAPD initiatives (including running internal competitions for colleagues to submit ideas, with the winning idea being taken forward).

Industry engagement

As a water retailer, a core focus for us is to use our experience and expertise to help shape the Scottish and English retail water markets to deliver greater benefits for customers. To support this goal we take our role as customer advocates seriously and are members of various stakeholder and policy groups established to make positive changes to the market and wider industry, including:

- Member of the Strategic Panel, the senior industry group, providing strategic direction to improve non-household customer outcomes
- Non-Executive Director of the Central Market Authority (CMA)
- Non-Executive Director of the MOSL Board
- Member of the Strategic Metering Committee, and
- Member of the Retailer-Wholesaler Water Efficiency Group (RWG).

Accreditations and benchmarking

We've committed to tracking our progress through external assessments to benchmark our performance and help to drive continuous improvement across our ESG strategy.



EcoVadis - Gold Rating

EcoVadis helps over 100,000 companies in over 200 industries assess their sustainability credentials. The assessment is based on international sustainability standards, including the Global Reporting Initiative, the United Nations Global Compact and ISO 26000. In addition to assessing environmental credentials, EcoVadis also measures companies' commitment to labour and human rights, ethics and sustainable procurement.

In August 2022, we took part in the assessment process for the first time and achieved a Gold rating of 70. We were re-assessed in 2023 and increased our score to a Gold rating of 74 – placing us within the 97th percentile of all companies assessed by EcoVadis.

Our environment score increased from 70 to 80 in one year and our sustainable procurement score increased from 60 to 70, demonstrating our commitment to continuous improvement.



74

Our 2023 score of 74/100 places us within the 97th percentile of all companies assessed by EcoVadis.

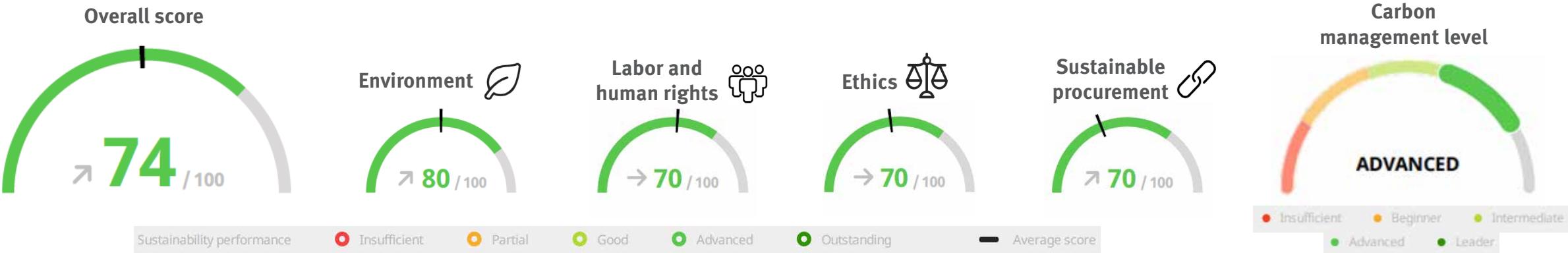
80

Our environmental score increased by 10 from 2022.

70

Our sustainable procurement score increased by 10 from 2022.

Our EcoVadis scorecard and carbon management level

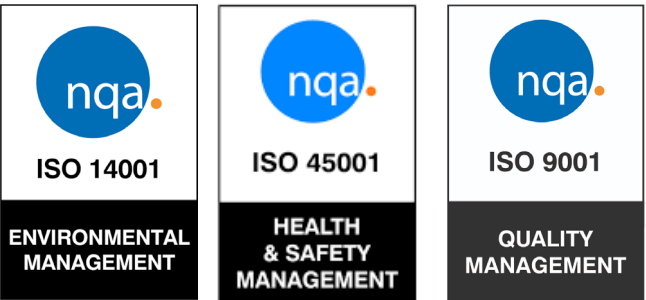


BiTC Responsible Business Tracker

The Responsible Business Tracker® is a measurement tool which assesses a company’s performance as a responsible business. It tracks progress against Business in the Community’s (BiTC) Responsible Business Map which was built on the United Nation’s Global Goals.

We took part in the tracker assessment in June 2022 and achieved an overall rating of 63% against an average score of 47% (average score taken across 91 businesses participating in the same cohort). We achieved above average scores in almost every responsible business area we were assessed on and are now using the tracker to make further progress.

In July this year we’ll take part in the BiTC Responsible Business Health Checker while the Tracker is under review, with a view to re-assessing our progress against the Tracker in 2025.



ISO 14001, ISO 45001, ISO 9001 certification

We hold three ISO certifications:

- **ISO 14001** - recognising high standards for our environmental management and performance.
- **ISO 45001** - recognising our commitment to maintaining a robust occupational health and safety management system (Solutions team certified).
- **ISO 9001** - the international standard that demonstrates our ability to consistently provide products and services that meet customer and regulatory requirements. (Solutions team certified).

Waterwise Water Efficiency Checkmark for our office

We were the first water retailer to be awarded the Waterwise Water Efficiency Checkmark for our Head Office, recognising our efforts to ensure we have the right technologies, signage and engagement programmes in place to encourage water efficient behaviours and reduce water waste within our offices. We were re-awarded the Checkmark in 2023, following a comprehensive assessment. The new certification is valid for three years.



“Business Stream joined Business in the Community (BiTC) in 2019 and from the start have engaged in their responsible business journey with a clear commitment to their customers, their people, the environment and their local communities. Using BiTC’s Responsible Business map to align their strategy with the UN’s Sustainable Development Goals (SDGs) to accelerate the pace and scale of action to deliver against the 17 Global Goals. Business Stream is also engaged in our strategic plans to support the country’s vision for a fairer, greener Scotland.

Vivian Maeda, formerly BiTC Relationship Manager to Business Stream

Making a Positive Difference to the environment

Our goal: To help protect the planet by working towards our net zero target and by supporting our customers and supply chain to generate environmental efficiencies.



As a water retailer and responsible business, we're passionate about the environment and recognise that we have a responsibility to improve our environmental performance and work towards our net zero goal.

In addition we're also committed to working with our supply chain and customers to support their environmental goals, so we can have an even bigger impact on protecting the planet.

Our key objectives:

- To work towards our 2030 net zero target.
- To support our customers and suppliers to achieve their environmental goals, promote their progress and build climate resilience.

In recognition of our efforts to reduce our carbon emissions, we won 'Carbon Reduction Programme of the Year' at the 2023 Better Society Awards.



Responsible *by nature.*

Progress against Objective 1:

To work towards our 2030 net zero target

This is the third year we've reported on our carbon emissions and the first year we're publishing our carbon management plan (see Appendix 1) outlining the steps we're going to take to reduce our emissions further in line with our target to achieve net zero by 2030.

We have calculated our emissions inventory and carbon footprint using the Greenhouse Gas Protocol Corporate Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and we use the UK Government conversions factors for the relevant year. To ensure transparency and accuracy, we have our carbon footprint externally verified annually and we set annual emission reduction targets.

In the past year, our carbon emissions have increased due to the release of a fire suppressant gas, which was caused by a faulty cable that began to smoulder in the server room of our old office. This was an emergency, unplanned event that impacted our Scope 1 emissions but is no longer a risk as a result of our office move (see Appendix 1 for further details). We have however achieved reductions in both our Scope 2 and Scope 3 emissions and have remained focused on reducing our impact on the environment:

Achieved our Scope 2 carbon reduction target with a 51% reduction in emissions.



Mitigated against any future fugitive emission releases as a result of our office move.



Used a certified renewable energy tariff at our new office.



Achieved re-certification of our ISO 14001 (environmental performance) certification in September 2023.



Achieved a 2% reduction in Scope 3.



Continued to plan and work towards our targets on an annual basis through our certified environmental management system.



Reduced emissions from air travel by 3%, with the majority of journeys now being done by rail.



Published our first carbon management plan (see Appendix 1).



We've also continued to identify opportunities to reduce our environmental impact, including:

- Partnering with sustainable furniture consultancy, Collecteco, to donate surplus furniture following our office move in late 2023 – helping to divert 9.36 tonnes of kit from landfill; avoiding 5.2 tonnes of carbon and delivering over £36,000 worth of furniture and supplies to the local community including charities and primary schools.
- Working in partnership with Aegon, who we share our office campus with, to support the campus' wider environmental initiatives.
- Providing access to better recycling facilities for colleagues.



Progress against Objective 2:

To support our customers and suppliers to achieve their environmental goals, promote their progress and build climate resilience.

In addition to reducing our own environmental impact, we're also committed to supporting our customers and supply chain to do the same.

This has included:



Adding a carbon figure to customer invoices to help customers understand their carbon use and creating a water efficiency online hub to provide a one-stop service for customers to go to for practical steps and support to reduce their water and carbon use.



Running an editorial campaign to raise awareness of the link between heating water and energy use, to help our customers to save money and reduce their emissions.



Enhancing our digital capabilities so more of our customers can manage their water online and receive ebills rather than paper bills.



Re-designing our bills to reduce the number of pages for those customers who still require a paper copy.



Incorporating environmental questions in tender documents for suppliers to help ensure we're partnering with businesses who also take their environmental responsibilities seriously. You can read more about our sustainable procurement commitments on page 35.



Making a commitment to run a carbon reduction workshop for the public sector and their suppliers looking to develop their carbon management plans. This workshop is under-development and will be delivered in Q1 2025.





Becoming carbon neutral

In October 2023, we launched a new partnership with Ecologi, a leading climate action specialist, to offset our carbon emissions on an annual basis to achieve carbon neutrality.

The partnership will contribute to two carefully selected projects through Ecologi. A nature-based project to protect the Mataven Forest in Colombia which covers 1.86 million hectares and is home to more than 40,000 plant species; and a society-based project contributing to the provision of more than 380,000 cookstoves in Kenya, which will help avoid 4.3 million tonnes of CO₂ emissions and support the creation of over 1,000 jobs for the local community.

These projects are certified by the Verified Carbon Standard (VCS).

Jo Dow, Chief Executive of Business Stream said:

“The climate crisis is one of the biggest challenges facing us all and it’s really important to us that as a responsible business we take a pro-active approach to limiting our environmental impact.

“Our focus is on reducing our emissions and we’ve already made significant strides in doing so. We do however recognise that we can’t become net zero overnight so we wanted to identify other ways we can support our environmental ambitions as we work towards our 2030 goal. We’re excited to have partnered with Ecologi and are looking forward to tracking the impact of these projects.”

Sean Earp, Senior Account Executive at Ecologi said:

“We are proud to support Business Stream’s climate commitments and have their support in the delivery of projects that contribute to the United Nations Sustainable Development Goals. This partnership is a great example of how businesses can take meaningful climate action”.

Making a Positive Difference to our customers

Our goal: To be a trusted supplier that is committed to delivering financial savings and environmental benefits to our customers.



We're committed to going over and above for our customers and we're continually investing in our people, processes and technology to ensure we can meet our customers' needs and are delivering an excellent customer experience.

What sets us apart from many businesses is our commitment to helping our customers use less of the product we sell. We're committed to helping our customers use water efficiently in order to save money (on both water and energy bills) and support their sustainability goals. Since launching our pledge to help our customers reduce their water use by up to 20%, we've introduced a series of initiatives that have helped to deliver millions in savings.

Our key objectives:

- To support our customers to reduce their water use by up to 20%.
- To provide customers with levels of service that exceed their needs and expectations.

Progress against Objective 1:

To support our customers to reduce their water use by up to 20%

We saved our customers nearly £32million* between 2022-23 (reported in August 2023). We delivered over £15million of discounts, £14million in water savings and over £2million in energy savings during the period, with water efficiency services such as digital monitoring solutions being used to help track consumption levels and identify opportunities to make cost reductions.

This equates to more than 7.5billion litres of water saved, the equivalent of 3,028 Olympic-sized swimming pools and a total carbon saving of more than 3million kg of CO₂ emissions – the equivalent to removing over 660 cars from the road.

Our innovative approach to saving water

To support our pledge to help our customers reduce their water use by up to 20%, we've developed a wide range of innovative ways to engage with businesses to help them save water; including:



Delivering investment
through our water
efficiency fund



Developing our
water stewardship
programme



Working in
partnership to deliver
water efficiency
projects in local areas



Maximising the
potential of water
efficiency technology



Creating online
resources



Being advocates for
water efficiency

More information on each of these can be found over the next few pages.

*The total includes annual discounts, water and energy savings, and year-on-year accrued savings from efficiency interventions.

£15million
in customer discounts

£14million
in water savings

£2million
in energy savings

7.5billion
litres of water saved

the equivalent of 3,028
Olympic-sized swimming pools

3million
kg of CO₂ emissions saved

the equivalent to removing
over 660 cars from the road.



Delivering investment through our water efficiency fund

Delivering investment through our water efficiency fund

In the past year we've distributed £50,000 (£200,000 since 2020) to help fund water efficiency projects to public sector bodies across Scotland.

Successful projects have included a University initiative to install a water chiller unit to cool, condense and recirculate used water; the installation of modern, electronic low-flow taps at a University campus; and the fitting of waterless urinals and aerator tap technology at a Local Authority building.

As a result of this fund and the support we provide to deliver each project, we've helped public sector organisations across the country to save thousands of pounds and deliver environmental efficiencies.

As of April 2024, we've doubled our water efficiency annual fund to
£100,000.

“We're really pleased to have a solution in place that not only mitigates against future flooding issues but helps us to do our bit in saving water and reducing costs. Thank you, Business Stream.

Lindsey Jackson, Energy Technicia | Moray Council

“This innovative solution has helped us to deliver water efficiencies, support laboratory sustainability, and reduce costs. It was fantastic to receive the funding through Business Stream's Water Efficiency Fund, as well as support from them to install our new refrigeration units.

Chris Larkins, Environment & Energy Manager | Heriot-Watt University

“Dundee and Angus College were delighted to have secured funding from Business Stream's Water Efficiency Fund to install waterless urinals in our Kingsway and Gardyne campuses. Reducing water consumption is a key objective within our Climate Emergency Action Plan and so the installation of the waterless urinals enabled us to reduce our water consumption by an impressive 8,100m³/year.

Billy Grace, Head of Estates | Dundee and Angus College



Developing our water stewardship programme

Developing our water stewardship programme

We've developed a water stewardship programme for our large, multi-site customers, which involves providing water efficiency training to give businesses the skills to identify and deliver water saving opportunities across their estate.

In addition to providing a comprehensive training course, participating businesses also receive an accreditation on completion of the programme to recognise their commitment to water efficiency. We ran a successful pilot in 2023 with some of our customers and will be rolling out the programme to more multi-site customers in the year ahead.



Working in partnership to deliver water efficiency projects in local areas

Working in partnership to deliver water efficiency projects in local areas

We have proactively sought opportunities to partner with water wholesalers to drive forward innovation funds designed to deliver water efficiency improvements in local areas.

Most recently, in Jan 2024, we developed a partnership with Severn Trent to support their Green Recovery Programme by carrying out free water efficiency audits for 100 business sites in Nottinghamshire, Staffordshire and Leicestershire.



Maximising the potential of water efficiency technology

Maximising the potential of water efficiency technology

We install water efficiency technology to help businesses better track their water use and identify any changes in consumption levels. By investing in technology such as Automatic Meter Readers (AMRs), businesses can mitigate the chances of unnecessary costs and water wastage associated with leaks.



Creating online resources

Creating online resources

We've built an online water efficiency shop to enable our customers to easily purchase effective water saving devices including showerheads, taps and urinal controls.

And we've created an online water efficiency hub where customers can access free tools and information, including a DIY water efficiency audit; corporate water saving presentations; and workplace posters. These resources provide practical, free support to help businesses achieve water savings while also providing collateral that they can use to encourage their colleagues and customers to use water wisely.



Being advocates for water efficiency

Being advocates for water efficiency

We take a proactive approach to working with industry and policy stakeholders to identify ways we can generate further water savings for business customers, including:

- Supporting the development and delivery of the Waterwise (the UK's largest NGO on water conservation) Water Efficiency Strategy.
- Playing a key role on the UK Government and Ofwat (England's water regulator) Retailer-Wholesaler Group (RWG) for Water Efficiency, working with senior stakeholders across Government and the industry to develop a roadmap for increasing water efficiency in the non-household sector.
- Representing the needs of customers on the MOSL Strategic Metering Committee to drive metering and billing accuracy improvements across the market.

In addition, our Commercial Director is a Non-Executive Director of the Central Market Authority (CMA) in Scotland and our CEO is a Non-Executive Director of the MOSL Board, to ensure the needs of business customers are represented when considering how market improvements can be made to deliver more savings and environmental benefits. In addition, our CEO is also a member of the Strategic Panel, the senior industry group in England, providing strategic direction to improve non-household customer outcomes.

To further support our water efficiency goals, we became the first UK water retailer to partner with Waterwise, the UK's leading NGO on water efficiency and water conservation, in 2018. Through our partnership we've:

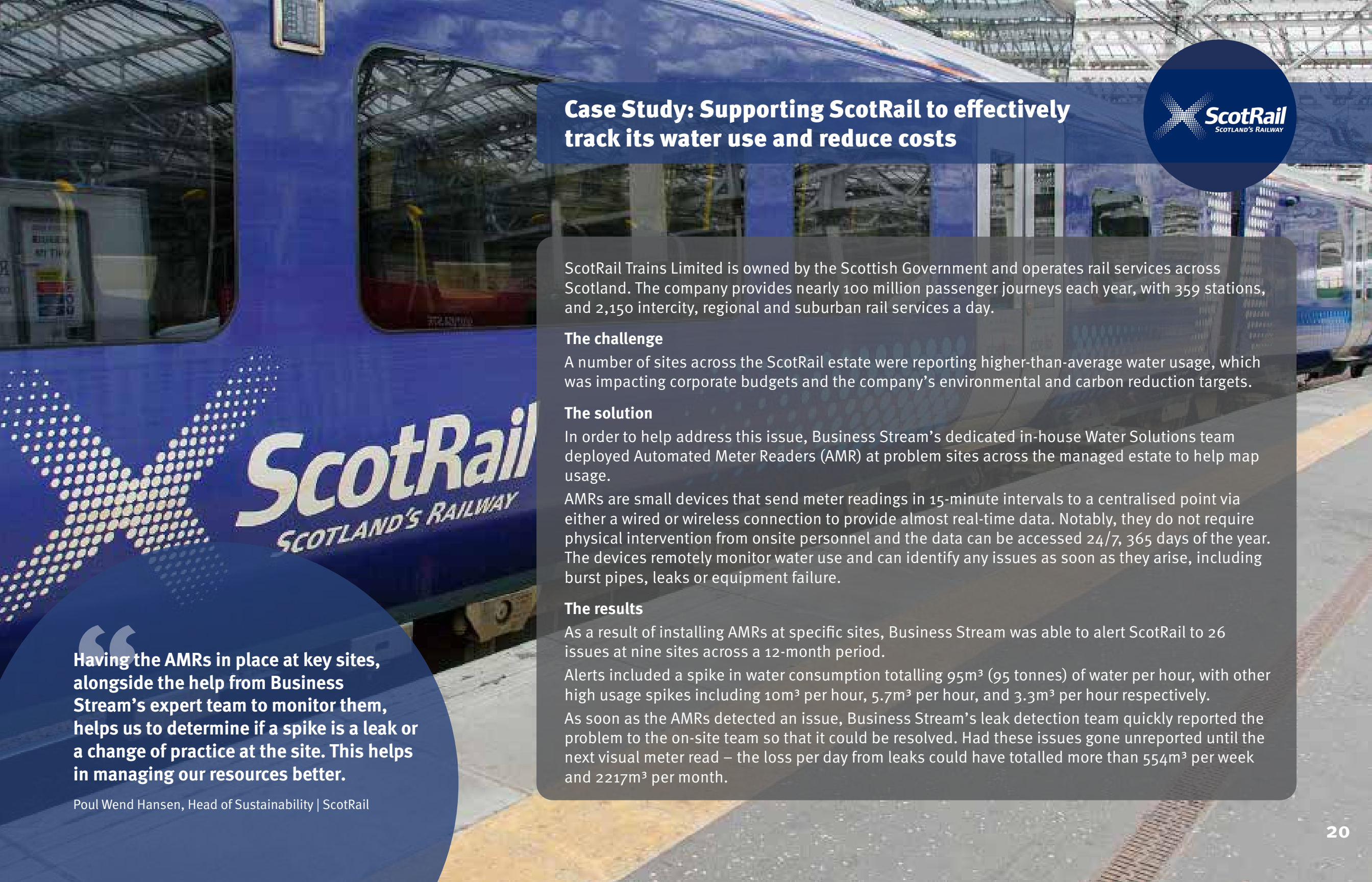
- Actively supported Waterwise's behavioural campaigns to help promote the importance of water efficiency.
- Supported the development and launch of their Water Efficiency Strategy.
- Participated in events alongside Waterwise to promote practical steps that businesses can take to reduce their water use.

“As Waterwise supporters, not only is Business Stream demonstrating its clear commitment to the water efficiency agenda, it is also a strong voice for water efficiency in the water retail sector.

Waterwise really appreciates the energy and insight that Business Stream provides via our partnership, in particular this has helped shape and promote the UK Water Efficiency Strategy to 2030 - ensuring non-household water use is a key focus.

Jo Osborn, Deputy Head of Policy and Public Affairs | Waterwise





Case Study: Supporting ScotRail to effectively track its water use and reduce costs

ScotRail Trains Limited is owned by the Scottish Government and operates rail services across Scotland. The company provides nearly 100 million passenger journeys each year, with 359 stations, and 2,150 intercity, regional and suburban rail services a day.

The challenge

A number of sites across the ScotRail estate were reporting higher-than-average water usage, which was impacting corporate budgets and the company's environmental and carbon reduction targets.

The solution

In order to help address this issue, Business Stream's dedicated in-house Water Solutions team deployed Automated Meter Readers (AMR) at problem sites across the managed estate to help map usage.

AMRs are small devices that send meter readings in 15-minute intervals to a centralised point via either a wired or wireless connection to provide almost real-time data. Notably, they do not require physical intervention from onsite personnel and the data can be accessed 24/7, 365 days of the year. The devices remotely monitor water use and can identify any issues as soon as they arise, including burst pipes, leaks or equipment failure.

The results

As a result of installing AMRs at specific sites, Business Stream was able to alert ScotRail to 26 issues at nine sites across a 12-month period.

Alerts included a spike in water consumption totalling 95m³ (95 tonnes) of water per hour, with other high usage spikes including 10m³ per hour, 5.7m³ per hour, and 3.3m³ per hour respectively.

As soon as the AMRs detected an issue, Business Stream's leak detection team quickly reported the problem to the on-site team so that it could be resolved. Had these issues gone unreported until the next visual meter read – the loss per day from leaks could have totalled more than 554m³ per week and 2217m³ per month.

“Having the AMRs in place at key sites, alongside the help from Business Stream's expert team to monitor them, helps us to determine if a spike is a leak or a change of practice at the site. This helps in managing our resources better.

Poul Wend Hansen, Head of Sustainability | ScotRail

Progress against Objective 2:

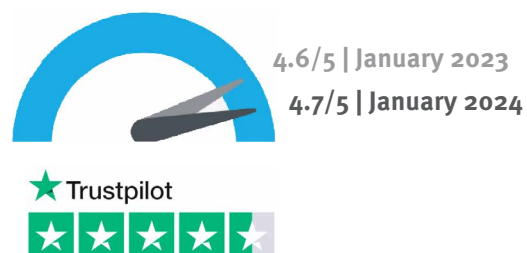
To provide customers with levels of service that exceed their needs and expectations.

Customer Service – continuous improvement

Last year we delivered our multi-million-pound digital transformation programme designed to transform our systems and processes to continue to raise the bar and provide excellent service for our customers.

As a result:

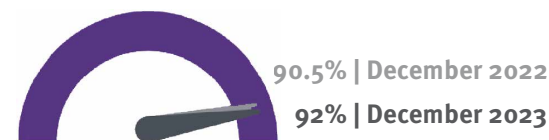
Our Trustpilot score has increased year-on-year.



Our real-time customer feedback through Qualtrics achieved an average score of 9.1.



Our customer experience score increased by 1.5% in a year.



We've also invested in new initiatives to enhance our customer service offering, including:



Intelligent Water Management

Developing our new Intelligent Water Management interactive dashboards, giving customers a holistic view of their water consumption on a site-by-site basis, including benchmarking analysis, high consumption alerts and return on investment analysis to show the benefits (financial and environmental) of fixing issues.



24/7 digital portal

Providing 24/7 access to our new digital portal, allowing customers to view and pay bills, provide meter reads and update their details.



Customer listening forums

Facilitating customer listening forums which allow us to better understand our customers' needs today and in the future.



“As a customer-centric business that's committed to making a positive difference, we want our customers to know we truly care. To support this goal, we'll be launching our customer vulnerability strategy this year. The strategy will outline how we will support customers that are in a vulnerable situation, in addition to building greater accessibility into our service offering. We're really excited to develop and roll out this strategy that will have a direct impact on customers.

Jo Mayes, Customer Services Director | Business Stream



Making a Positive Difference to our local communities

Our goal: To make a positive contribution to our local communities and support our charity partners.

4 QUALITY EDUCATION



11 SUSTAINABLE CITIES AND COMMUNITIES



We wanted our vision to incorporate our local communities to enable us to directly give back to others. To do this effectively we've developed our education programme to encourage the next generation to use water wisely; we've established partnerships to support social mobility and provide opportunities for young people; and we've partnered with charitable organisations whose values are closely aligned to our own.

Going forward, we want to build on this programme by developing our current partnerships, fostering new ones and better measuring the impact of our activities.

Our key objectives:

- To deliver an education programme designed to teach the next generation about the importance of using water wisely.
- To provide social mobility, career opportunities and support the provision of Just Transition skills to high school students and school leavers.
- To provide fundraising and volunteering support to our chosen charities.

Progress against Objective 1:

To deliver an education programme designed to teach the next generation about the importance of using water wisely.

This is the fourth year we're running our primary school outreach programme to teach children about the importance of saving water in the context of the climate crisis. The interactive sessions include a fun presentation, quiz and poster challenge. For some sessions we work in partnership with independent school consultant, James Tindell, to run an Enterprise Challenge day to educate children on the world of work.

In the past year, we've delivered

8 sessions in schools in Scotland and England

with a commitment to deliver

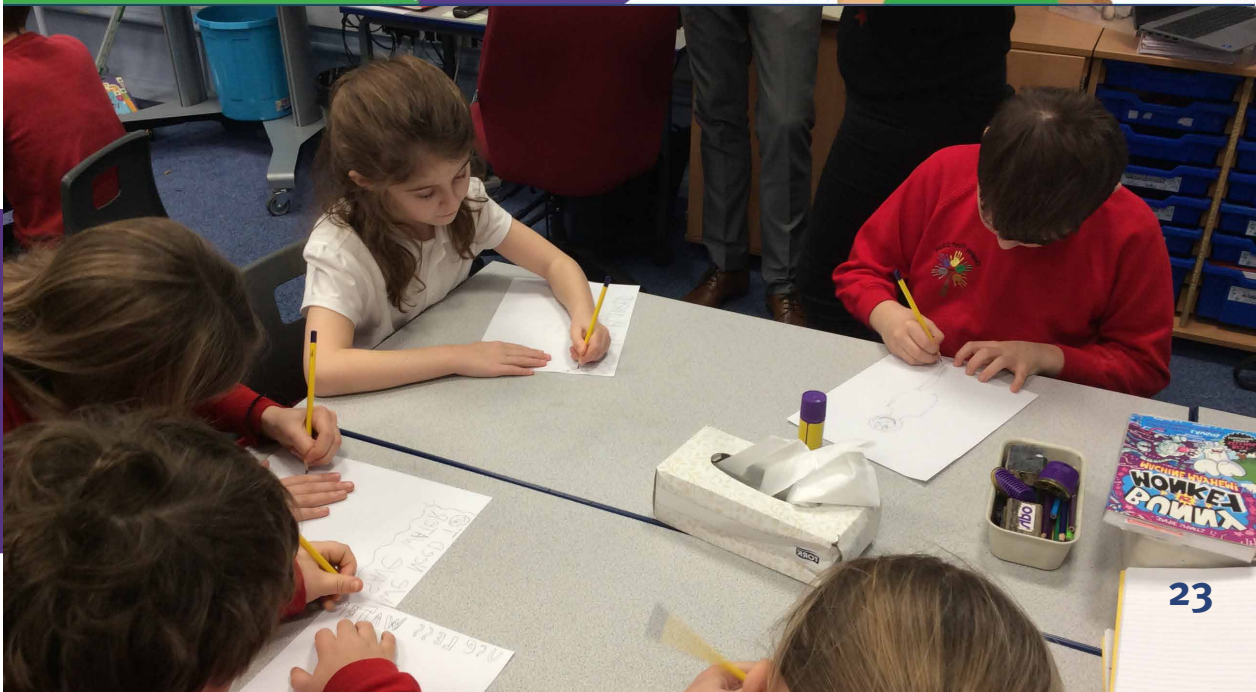
12 in 2024-25

“I joined Business Stream just over a year ago and really value our commitment to our MAPD vision and the opportunities we provide to give back to local communities. It was great to be able to get involved in hosting the session and I'm already looking forward to the next one.

Olly Lister, Key Account Manager | Business Stream

“I think the day has been a great opportunity for us to work together and do something completely different. My favourite part has been learning all about how to build a business. Everybody has enjoyed it and it's been a great day!

Ethan, Primary 6 Pupil | Murrayburn Primary School



Progress against Objective 2:

To provide social mobility, career opportunities and support the provision of Just Transition skills to high school students and school leavers.

As an employer, we believe we have a responsibility to provide opportunities to young people through mentoring and coaching, work placements and skills training. To help us achieve this goal, we've formed partnerships with external organisations and charities that are experts at what they do. By working closely with each of them, we've built an education programme that enables us to support young people across the country.



More information on each of these can be found over the next few pages.

Key stats and our future commitments

31 Modern Apprentices supported since 2018

with a commitment to provide a minimum of

5 Modern Apprentice placements per year for the next four years

26 students supported through the Career Ready programme with mentoring and paid work experience placements

with a commitment to support a minimum of

5 students per year for the next four years

300 high school students attended Career Ready masterclass sessions that we facilitated

Committed to introducing a Foundation Apprenticeship programme, supporting

8 high school students across the next four years



Career Ready programme

Career Ready programme

To deliver our secondary school programme, we've partnered with Career Ready to provide two-year mentoring and a month's paid work experience placement in our offices on a rolling basis.

As a business we deliver activities that meet Gatsby Benchmark 4,5 and 6*. Through our Career Ready programme we focus on transferable skills so the students understand how to apply the skills they learn during their one month paid work placement with us to the jobs and career path they follow.

In addition, we support the delivery of Career Ready's Skills for Success programme, having been asked to deliver a range of their masterclasses to students. Their programme is designed to give young people insight into the skills that will help them in their future paths, including communicating, problem solving, team work, creativity, adaptability, managing my career and managing myself.

Our Head of ESG, Sophia Goring, is also on the Career Ready Edinburgh, Mid-Lothian and East Lothian Local Authority Board to support the charity's strategic goals.



I genuinely couldn't have asked for a better experience or a better business to work at. I cannot stress enough about how great the people and company culture are in this business. Everyone is so accommodating and that has really made me feel safe and valued. As for tasks, they have been very different and the way we split them for each one was unique. This has been such a great learning experience and such an amazing way of gaining new skills. I'm really thankful for all the support and amazing energy. I truly enjoyed this internship so much!

Eszter Kulcsar, Career Ready student (completed work placement at Business Stream in July 2023)



Modern Apprenticeship programme

Modern Apprenticeship programme

Through our Modern Apprenticeship programme we have developed activities and opportunities for people in further education to learn on the job and achieve a qualification. Our Modern Apprentices have the ability to rotate around the business to gain experience in a range of areas. They're taught skills and encouraged to use the skills they've gained in the past to apply to their roles. They're based in our Head Office so gain experience of working as an employee, working with our colleagues, and of working in an office environment.

Over **85%**
of our Modern Apprentices are
offered a permanent position on
completion of the programme.

*The Gatsby Benchmarks are a framework for school leaders, headteachers, and careers advisors to assess the development of their pupils in employability skills. Gatsby Level 4 relates to 'linking curriculum learning to careers', Gatsby Level 5 relates to 'encounters with employers and employees' and Gatsby Level 6 relates to 'experiences of workplaces'.



“It is incredible how much time and effort Business Stream has put into supporting the Modern Apprenticeship programme and creating workers who have the knowledge and self-assurance to be the workforce of the future, and the collaborative connection with Limelight to guarantee excellent programme delivery for all.

Shirley Manley, Skills Investment Adviser (Modern Apprenticeships) | Skills Development Scotland



Developing the Young Workforce (DYW) Young Person's employer guarantee status

First water retailer to achieve Young Person's employer guarantee status

In June 2023 we became the first UK water retailer to be recognised by Developing the Young Workforce (DYW). The Scottish Government-backed Young Person's Guarantee initiative was designed to help stem a surge in youth unemployment post-pandemic and aims to provide every 16-24 year old in Scotland with an opportunity through jobs, apprenticeships, further or higher education, or training.



“It's vital that young people are given opportunities to develop their skills and take their first steps towards achieving their career goals. As an employer, we believe we have a responsibility to bring forward opportunities and support people from diverse backgrounds, to help foster a vibrant workforce of the future.

We're really proud to secure Young Person Guarantee status and of the support we've provided so far. We're now focused on the future and how we can offer opportunities to even more young people across the UK.

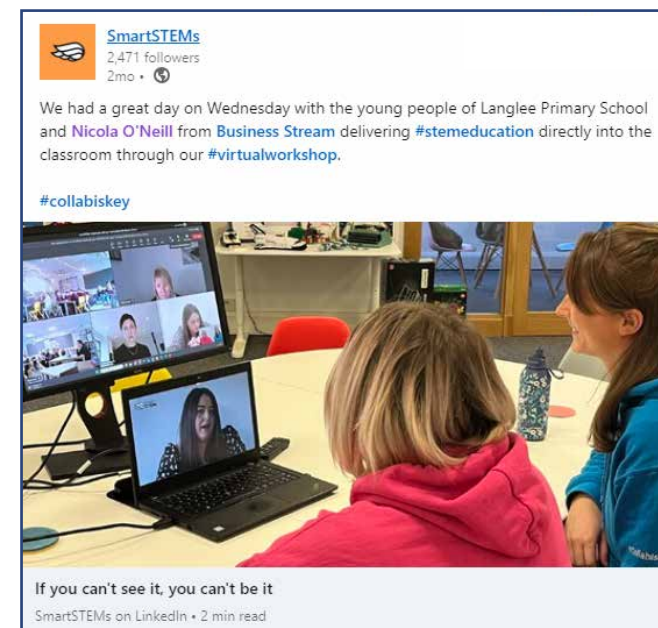
Jo Dow, CEO | Business Stream



SmartSTEMs

SmartSTEMs

Working in partnership with SmartSTEMs, we've been supporting school sessions designed to inspire young people, aged between 11-13, to consider a future career in STEM. The sessions, which include a Q&A with our colleagues working in STEM careers, also include a practical experiment to help engage the children.



As part of our ongoing commitment to DYW we're:

- Onboarded as a DYW Live partner, delivering skills sessions to high school students living in more remote parts of the country.
- Establishing a formal partnership with our local high school, Forrester High School, to deliver a skills programme to their business studies class.

Opportunities for colleagues

The majority of our programmes provide an opportunity for our colleagues to get involved, including delivering Enterprise Challenge days at primary schools, mentoring and providing work placements to high school students, leading career ready masterclasses and running water efficiency sessions at schools. When providing volunteering opportunities to colleagues we always highlight in our communications the benefits of getting involved and the positive impact it has on the students or children. We regularly seek feedback from colleagues on our programmes and encourage suggestions and feedback.

We also monitor the number of colleagues involved in each programme. Each primary school enterprise challenge involves up to 12 colleagues; we have a minimum of 10 colleagues mentoring through the Career Ready programme at any one time; and we involve a large number of colleagues in supporting these programmes on an ad hoc basis. For example, during the Career Ready internship, we deliver a range of skills sessions that are taken by subject matter experts from across the business including finance, communications, marketing, HR, Learning and Development, customer operations and IT.



Progress against Objective 3:

To provide fundraising and volunteering support to our chosen charities.

When we launched our vision we developed our Charity Panel, made up of charities whose values are closely aligned to our own. We've remained committed to supporting three charities - Scottish Action for Mental Health (SAMH), the Marine Conservation Society and Macmillan Cancer Support. SAMH and MCS support two of our key material issues that we're committed to addressing through our responsible business strategy – health and wellbeing and climate action – and Macmillan Cancer Support was our chosen charity following a colleague vote.



Over the past year we've continued to run a wide range of events to help raise vital funds for our charities, including bake sales, quizzes, a second-hand furniture sale and our Christmas charity activities.

SAMH has been so proud to partner with Business Stream over the past year and we are delighted with the vital funds and awareness raised for our charity and the mental health cause.

Business Stream's support has ensured SAMH can continue to deliver our life-saving and life-changing mental health work across Scotland; whether that's enabling young people to attend a SAMH mental health workshop where they learn how to look after their own wellbeing and support their peers or men in their middle years to join The Changing Room, a 12-week programme that uses the power of football to get men talking about mental health...thank you for being incredible supporters of SAMH, you have truly made a positive difference to Scotland's mental health.

Robin Holden – Account Manager, Workplace & Corporate Engagement team | SAMH



£3,830

raised for our charity partners in the past year

over 500

community support hours through our volunteering programme



Making a Positive Difference to our people

Our goal: To provide a great place to work where our people feel trusted, valued, supported and empowered, irrespective of their background or role. We're committed to providing an inclusive workplace that welcomes and promotes diversity and provides equal opportunities for all.



Our key objectives:

- To proactively support and enhance our colleagues' wellbeing across the four wellbeing pillars.
- To build diverse teams that are representative of our local demographic and ensuring our approach to ED&I is reflected at all stages of a colleague's journey with us.
- To give colleagues the opportunity to learn and develop through supporting their professional goals.

To help achieve this goal, we've introduced a wide range of initiatives to enhance our colleagues' health and wellbeing; to provide an inclusive environment that recognises the Equity, Diversity & Inclusion (ED&I) issues that matter to our colleagues; and to support our colleagues' learning and development goals.

Going forward we want to build on this programme, by introducing more ways to support the wellbeing of our people; delivering our ED&I action plan; and investing in our learning and development programme. We also want to measure the outputs and impacts of our initiatives to help us better understand what is working well and where we could make further improvements.

Progress against Objective 1:

To proactively support and enhance our colleagues’ wellbeing across the four wellbeing pillars.

As a business, we understand the importance and value of having a healthy and engaged workforce. In October 2023 we moved to new premises, as part of our commitment to provide an inspiring, safe and inclusive workplace for our people. Our new offices provide colleagues with access to a free 24/7 multi-purpose on-site gym; subsidised catering; relaxation rooms; a purpose-built training room; and a dedicated quiet room designed by our neurodiverse colleagues to ensure it meets their needs.

Our wellbeing strategy and activities are aligned to the four wellbeing pillars (physical health, mental health, financial and social wellbeing).

To support the wellbeing of our colleagues we’ve introduced a range of initiatives under each pillar:

<p>Mental health wellbeing:</p> <ul style="list-style-type: none">• Training colleagues to become mental health first aiders who are available to provide reassurance and support to colleagues in confidence.• Investing in an employee assistance programme (EAP) provided by AXA, which provides 24-hour free confidential support to colleagues and their families on a wide range of physical, social and financial issues.• Offering mindfulness sessions for colleagues and providing resources within the dedicated wellbeing section of our intranet.	<p>Physical wellbeing:</p> <ul style="list-style-type: none">• Running regular active events including step challenges.• Periodically installing health machines in our Head Office.• Providing free fruit in the office.• Offering a cycle to work scheme.• Undertaking Display Screen Equipment (DSE) training and risk assessments with all colleagues, and providing ergonomic equipment where required.
<p>Financial wellbeing:</p> <ul style="list-style-type: none">• Committing to paying over the Real Living Wage, recognising the importance of financial security.• Providing free sanitary products in our bathrooms and providing a regularly stocked food welfare cupboard for all colleagues to access. We also ran free financial planning sessions.• Providing a wide-ranging training programme to support colleagues’ career development goals.	<p>Social wellbeing:</p> <ul style="list-style-type: none">• Providing opportunities for colleagues across the business to get involved in and benefit from our volunteering programme, including mentoring, tree planting, beach clean ups and running Enterprise Challenge days with school children.• Recognising and rewarding our people through our monthly MAPD awards and annual Awards Night.• Running team challenges, charity fundraisers and quizzes to support colleague engagement.



Progress against Objective 2:

To build diverse teams that are representative of our local demographic and ensuring our approach to ED&I is reflected at all stages of a colleague's journey with us

Equity, Diversity and Inclusion

In 2022, we ran ED&I focus groups with BiTC and established our ED&I working group. Through the colleague feedback and external guidance from BiTC's Inclusion Team, we developed the following commitments:



To deliver an internal education programme to raise awareness of visible and non-visible differences, including neurodiversity and race and equality.



To run inclusion training sessions for all our colleagues.



To make improvements to our recruitment process, ensuring we have diverse longlists and use gender-neutral language in adverts to encourage diversity.



To add ED&I questions to our colleague engagement survey covering demographics and colleagues' views on inclusion, to establish a baseline from which to track progress.

For further information on our workforce please see appendix 2.

In the past year we've:

Delivered inclusion training to all People managers and are currently rolling out this training to all colleagues (to be completed by August 2024).



Undertaken train-the-trainer sessions, led by BiTC, to equip our Learning and Development team and members of our ED&I working group to deliver inclusion training on an on-going basis.



Incorporated inclusion training into our induction for all new colleagues.



Ensured that every engagement activity we run has a virtual element to it to include our home workers.



Enhanced our recruitment process to promote diversity, including working closely with our recruitment agencies to ensure we use gender-neutral language in all our adverts and have access to diverse longlists.



Through our ED&I awareness raising programme we've continued to share information on a range of topics through our communication channels and by running events, including:

- A session with Andy's Man Club to shine a light on male suicide prevention
- SAMH mental health awareness sessions, and
- Autism Awareness sessions.



Established our remote workers quarterly forum providing an opportunity for our colleagues who are home workers to raise challenges and put forward suggestions to ensure they and their teams feel engaged and included.



Marked key religious celebrations.



Added ED&I questions to our colleague engagement survey.





Spotlight: Supporting women in the workforce

Providing a family-friendly working environment

We provide a wide range of family-friendly policies, including an enhanced maternity leave policy, paternity policy, adoption policy and special leave policy. We've also established a post-maternity support group that all women are invited to for up to a year after returning to work, plus a buddy system for women returning post-maternity leave.

24/7 confidential support covering a wide range of issues, including female health, menopause and pregnancy, is also available to all colleagues and their families through our fully funded AXA employee assistance programme, which we regularly promote.

Closing the gender pay gap

We're committed to ensuring our pay and remuneration practices are fair, transparent and reward the hard work of colleagues across the business.

For the year 2022/23, on average, our female colleagues were paid 2.9% more than males for hourly pay. This is the first time we've seen a shift in this direction. Our median pay gap was 7.6% (in favour of males), however, our results are significantly better than the national average gap of 14.9% (in favour of males).

The proportion of males to females in each of our pay quartiles is broadly consistent with our overall workplace gender balance. The one exception is in the upper mid quartile where only 36% of the group are female. This quartile includes several specialist roles, including Technology and Transformation roles, which has been a challenging sector to recruit females within. We had 38 males in the upper quartile pay band on 31 March 2023 versus 29 females, however, the average pay gap for that quartile was 7.8% higher for females reflecting positively the number of females employed in Executive roles.

Becoming a menopause friendly organisation

In October 2023, we signed up to become a menopause friendly accredited employer. As we work through the accreditation, we're communicating our progress and sharing information with all colleagues to build knowledge around the menopause. We've also put in place an informal but confidential support group for women across the business to speak with others at a similar life stage.

Progress against Objective 3:

To give colleagues the opportunity to learn and develop through supporting their professional goals.

Learning and Development

Over the past year we've grown our Learning and Development team to provide additional resource and we've brought in external expertise to deliver a wider training and learning and development programme for our colleagues. We want to provide all our colleagues at every stage of their career with opportunities to develop their skills and help them to achieve their career goals.

In the past year, we've:

Supported **95** colleagues to progress through our new career pathways framework,

Hired internal candidates for

38% of our vacant roles.

Delivered an equivalent of

7,269 training and development hours for our 300 colleagues.

Introduced a mentoring programme to support new workers and those with distinctive needs, e.g. parents returning to work after maternity/paternity leave, our Modern Apprentices and mentoring for newly appointed leaders.

£ Provided financial support and dedicated study time for colleagues studying for professional qualifications.

We also offer flexible working options to support our colleagues. We provide a hybrid working model to around 80% of our workforce and offer opportunities for colleagues to work part-time, compressed hours and to job-share, as well as apply for a career break.

We support our new frontline colleagues to develop skills and build their confidence through a dedicated, two-week induction programme with continued, focused support, including investment in training and development programmes; access to a Knowledge Management Suite; regular bite-sized training refresher courses on specific systems or skills; and daily on-the-floor support.

80%
of our colleagues
work in a hybrid
working model

In the year ahead, we're



Developing a line manager toolkit to better equip our managers to support our colleagues and to provide greater transparency around our expectations from our managers.



Delivering mental health training to all our People managers.



Delivering training to support the roll out of new customer support initiatives so our colleagues are skilled and confident in delivering on our commitments.



Providing additional resources and support to help colleagues prioritise their Personal Development Plans (PDPs).

Sustainable procurement

We recognise that our business has a role to play in addressing the social, economic and environmental impact of our supply chain. Sustainable procurement means considering the full life cycle impact of procuring goods, services or works, to reduce the impact and provide additional benefit of either a social, economic or environmental nature. We have incorporated sustainable procurement practices throughout our procurement and supply chain processes and aligned them to ISO 20400.

To help achieve this goal we've made a number of commitments when purchasing goods or services, which include but are not limited to:



Reviewing the environmental impacts of the goods and Services being procured, incorporating life-cycle thinking into the purchase.



Ensuring our suppliers have appropriate measures in place through our new supplier due diligence and in contract audits concerning fair working practices, cyber security, environmental management, human rights and ethical operation, including Real Living Wage, anti-slavery, equality and diversity, anti-bribery, and health and safety where relevant.



Raising internal awareness of sustainability issues, particularly with relevant stakeholders with purchasing or supplier management responsibilities.



Including sustainability criteria within the new supplier approval process, and all tender exercises, purchases, supplier appraisals and within contract documentation where relevant.



Addressing barriers to entry for smaller businesses (SMEs) and local suppliers. We have a high level of both SMEs and local companies in our supply chain, and in FY24/25 we will be supporting the small businesses in our supply chain in their carbon neutral journey through access to tools, guidance and the creation and monitoring of actions plans to achieve reduction. We are also committed to pay SME supplier invoices within 30 days or less and will be looking to reduce this wherever possible.



Working with our suppliers to ensure that any environmental or sustainability requirements are fully understood and communicated. We will be having quarterly reviews with key suppliers to identify collaborative activities and developing action plans. We will be monitoring and reporting progress on reductions.



Analysing the sustainability risks and opportunities related to each procurement activity. Further reviewing our processes and training to aid greater reach and drive improvements.

Appendix One | Carbon Management

This is our carbon footprint report and reduction plan for the 2023-2024 financial year, which is the third year of reporting on our carbon emissions. Our carbon emissions inventory includes sources from our operations conducted from our leased office in Edinburgh. We are a wholly owned subsidiary of Scottish Water; however, we operate under separate governance and funding. As a water retailer, and not a water wholesaler, we do not have operational control over any water infrastructure, therefore, our carbon footprint includes emissions from the provision of office-based billing services for business customers only.

We are continuing our journey towards net zero by 2030 and set annual emission reduction targets. We calculated our emissions inventory and carbon footprint using the Greenhouse Gas Protocol Corporate Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and we use the UK Government conversions factors for the relevant year. To ensure transparency and accuracy, our carbon footprint has been externally verified by a third party who has confirmed the accuracy of the figures.

Changes since the previous report

We moved offices in October 2023 which resulted in some changes to our carbon footprint. These will be more apparent in next year's report. For example, we no longer have any back-up generators for our server room. A move supported by our recent transition to a cloud-based server. Additionally, there are no air conditioning units in the new premises. The new office, however, has gas which is used for heating purposes and so we have therefore included gas in our scope 1 emissions. There is no sub-metering for gas and therefore emissions are taken as a percentage of the whole campus by floor area. All other parameters remain the same as previous years.

Water data for previous years related to Lochside View has been readjusted. Previously, the data reported related to the whole site, which included other tenants. The figures have been readjusted to take a percentage share of the water use for the whole site and it is now compatible with the monitoring method being applied to the new office in Lochside Crescent. This change did not result in any material difference to previously reported carbon emissions.



Appendix One | Carbon Management

Carbon footprint

We have incorporated Scope 1, Scope 2 and Scope 3 emissions where suitable data exists. The scope of our carbon footprint is shown in Table 1.

Table 1 | Business Stream carbon emissions inventory scope

Scope	Activities
Scope 1	<ul style="list-style-type: none">Company vehiclesFugitive emissionsDiesel generatorGas
Scope 2	<ul style="list-style-type: none">Electricity
Scope 3	<ul style="list-style-type: none">Electricity transmission and distribution lossesBusiness travel inc. rail, air and vehiclesHotel staysWaterPaper including office use and customer billing

The emissions an organisation captures under Scope 3 are optional and ours were agreed with Scottish Water, based on materiality and available data. Our Scope 3 currently covers electricity – losses, business travel, hotel stays, water and paper use (both within our office and customer billing).

As an office-based business, many of the Scope 3 options are not relevant to us, for example, those relating to sold products or transportation. We produce some waste however, from an analysis of available data and using estimates for missing data, we calculated that our waste represents less than 0.1% of our total carbon emissions. Additionally, waste volumes have reduced further since moving office and so we will not be including waste in our footprint.

Other activities not currently captured under our Scope 3 that are relevant to us are commuting, home working and our supply chain partners. We’re currently in conversation with our external environmental consultant on how we’d look to include these areas. These additional areas are far more complex to measure and reduce and therefore will take more time to achieve. However we are putting plans in place to better understand these additional areas with a view to incorporating them into our carbon management plan and we have made a commitment to work with our supply chain partners to support their net zero goals.

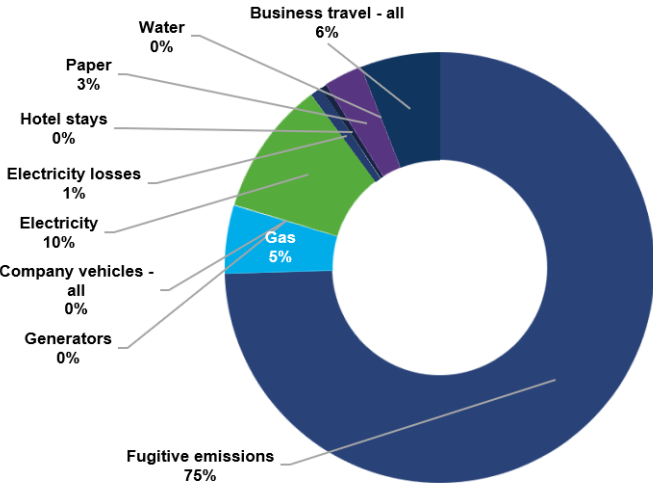
We are certified as carbon neutral through the offsetting partnership we’ve developed with global climate specialists, Ecologi. We don’t however see this as an alternative to working towards net zero as we know that our priority as a business should be towards reducing our emissions, rather than offsetting them. We’ll run our carbon neutral commitment alongside our carbon reduction programme, which will in time support us to achieve our net zero target as we can offset the residual carbon (less than 10%, in line with the Science Based Targets initiatives - SBTi) that cannot be avoided.

Our total carbon footprint for the 2023-2024 financial year is shown in Table 2 and Figure 1.

Table 2 | Total carbon footprint for 2023-2024

Scope	Activity	tonnes CO2e
Scope 1	Fugitive emissions	372.83
	Gas	25.43
	Generators	0.11
	Company vehicles - all	0.24
Scope 2	Electricity	50.35
Scope 3	Electricity losses	4.36
	Hotel stays	2.35
	Paper	14.59
	Water	0.33
	Business travel - all	29.53
Totals	tonnes CO2e	500.12
	Scope 1	398.61
	Scope 2	50.35
	Scope 3	51.16

Figure 1 | Tonnes CO₂e 2023-2024

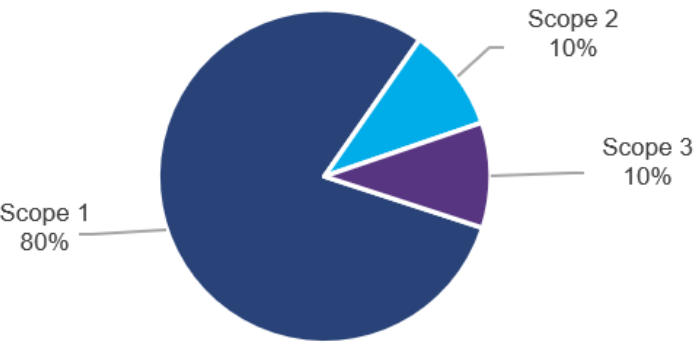


Appendix One | Carbon Management

By far the largest proportion of our carbon footprint this year was the fugitive gas emissions. This consisted primarily of a release of fire suppressant gas in our server room due to a faulty cable which started to smoulder. This was obviously an unplanned, emergency event which could not be foreseen. We also had some fugitive emission losses from the old air conditioning units prior to them being replaced. These emissions occurred while we were in our previous office. We do not have the risk of either type of gas release in our new office.

The diagram below (Figure 2) shows the carbon footprint broken down by scope. Due to the fugitive releases, our Scope 1 category is the largest this year.

Figure 2 | Total carbon footprint by scope



Performance against targets

During the 2023-2024 financial year, we set carbon reduction targets for each Scope. We aimed for a 5% reduction in Scope 1 emissions, a 10% reduction in Scope 2 emissions and a 24% reduction in Scope 3 emissions.

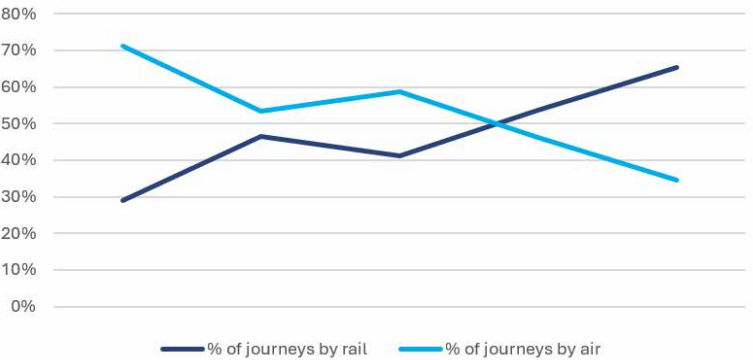
We successfully achieved a 51% reduction in Scope 2 emissions through moving offices, despite adding emissions from our company vehicles fleet which are now all electric. The move to a full electric vehicle fleet resulted in a 97% reduction in diesel emissions from vehicles during the 2023-2024 financial year.

Our electricity is supplied from a certified renewable energy source, meaning our Scope 2 electricity consumption generates no CO2 emissions at source.

We unfortunately did not hit the Scope 1 reduction target due to an emergency incident in our server room which resulted in the release of the fire suppressant gas and the fugitive emission losses.

Our Scope 3 target of 24% reduction was highly ambitious and relied upon significant reductions in air travel and reductions to our paper use for billing processes. We did not achieve the target, however, we achieved a 2% reduction in Scope 3 emissions.

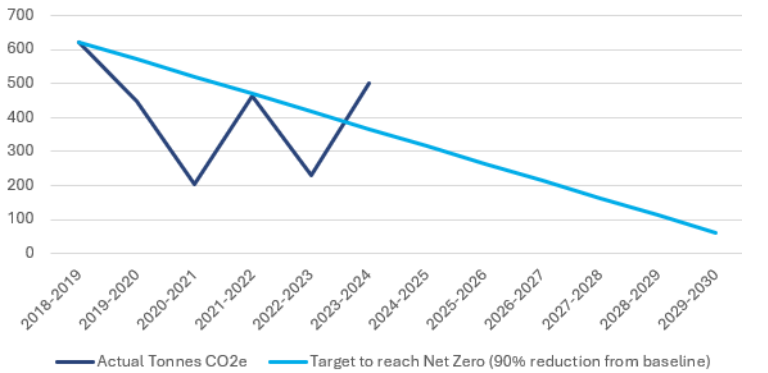
Figure 3 | Percentage of journeys by rail and air



We have seen a marked change in the way that our colleagues are travelling for work purposes. The chart in Figure 3 shows the trend in the number of journeys travelled by rail and air since 2018. The year 2020-2021 has been excluded because no journeys were undertaken by any mode due to the Covid 19 pandemic. The graph clearly shows that we have nearly reversed our position with most journeys now being done by rail instead of air. We plan to continue this trajectory in the coming years. Additionally, the overall number of journeys by all modes has fallen due to continued use of remote communication methods. Due to this move from air to rail, our rail emissions increased, as we expected, but our air emissions decreased by 3%.

In line with the Science Based Targets initiative (SBTi) guidance, we are aiming to reach net zero by cutting our baseline emissions by 90% by 2030. The graph below (Figure 4) shows our current progress against the required trajectory to reach net zero by 2030. Due to the accidental release of fire suppressant gas, we are currently above where we need to be. However, due to this being an unplanned, one-off event and because we fully understand our current emissions, we are confident we'll be back on track next year.

Figure 4 | Progress against Net Zero target



Appendix One | Carbon Management

Emissions over time

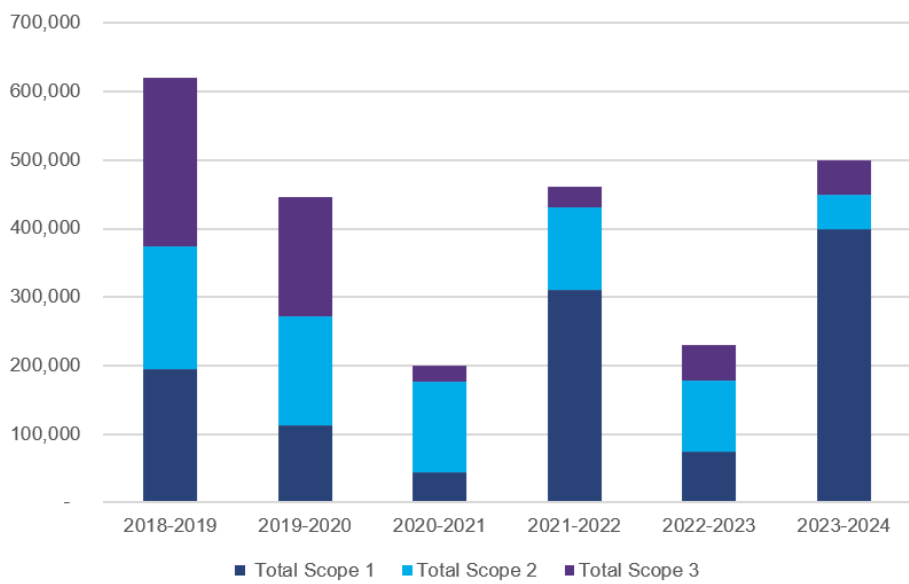
Our baseline is the 2018-2019 financial year. Our emissions over time since our baseline year are shown in Table 3 and Figure 5.

Table 3 | Carbon emissions since 2018-2019

Scope	Activity	tonnes CO ₂ e					
		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Scope 1	Fugitive emissions	66.88	8.53	4.11	287.95	55.60	372.83*
	Gas	0.21	0.16	0.23	0.01	-	25.43
	Generators	0.22	0.23	0.23	0.22	0.22	0.11
	Company vehicles - all	127.18	103.46	40.37	21.79	18.10	0.24
Scope 2	Electricity	178.86	159.42	132.42	120.57	103.72	50.35
Scope 3	Electricity - losses	14.99	13.34	11.28	10.64	9.48	4.36
	Hotel stays	32.43	23.60	1.05	2.15	2.47	2.35
	Paper	12.79	11.36	7.31	7.99	12.11	14.59
	Water	1.94	1.90	0.17	0.29	0.47	0.33
	Business travel	184.49	123.67	2.81	9.86	27.67	29.53
Total (kg CO ₂ e)		620	446	200	461	230	500.12
Total scope 1		194.48	112.38	44.94	309.96	73.91	398.61
Total scope 2		178.86	159.42	132.42	120.57	103.72	50.35
Total scope 3		246.65	173.87	22.62	30.93	52.20	51.16

*Increase due to the f-gas emissions caused by a faulty cable that began to smoulder in our former office. This was an emergency, unplanned event that is no longer a risk in our new office.

Figure 5 | Total carbon footprint since 2018-19



Appendix One | Carbon Management

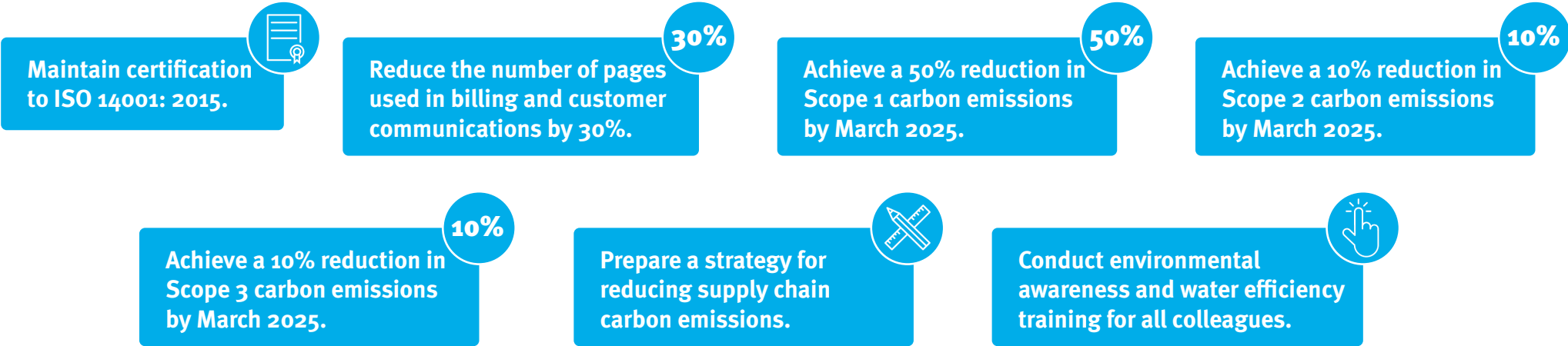
Carbon reduction plan

We are well placed to achieve net zero by 2030. We have been working on reducing our carbon emissions for the past few years and have made huge progress. Making further progress does come with challenges, including the fact we're in a leased office and so have limited scope to determine improvements, and reduce emissions from the gas heating system within the office. Having said that, we're working closely with the other businesses in our leased office to encourage environmental improvements and we will continue to work with the landlord to ensure that when the gas boilers are due for replacement, they are replaced with a non-fossil fuel alternative.

In order to reach net zero, we are targeting initiatives in a number of key areas. We have achieved some of the actions listed below and others are underway or are ongoing initiatives. For longer term initiatives, we are beginning to make plans for how we can achieve them. We recognise that as time passes, technology improves and situations change, so we will be constantly re-evaluating our approach to carbon management on an annual basis.

Our goal to reach net zero by 2030 is supported by our certified environmental management system. We set environmental objectives each year which are aligned with our net zero target. For the 2024-2025 financial year, our environmental objectives are:

Net zero
by 2030



Appendix One | Carbon Management

Our current carbon management plan is outlined in the table below.

Topic	Status
Performance and targets:	
Implement an Environmental Management System which is certified to ISO 14001: 2015.	
Compile our carbon inventory following the Greenhouse Gas Protocol.	
Understand our carbon emissions through measuring and monitoring our carbon emissions monthly.	
Set annual emissions reduction targets in line with the net zero trajectory.	
Publish an annual Sustainability Report which outlines our progress towards net zero.	
Communicate our progress internally and externally.	
Continue with our monthly office inspections by our Green Champion team.	
Provide all colleagues with training and awareness on how they can contribute to our net zero target.	

Achieved	
In progress	
Future plans	

Topic	Status
Sustainable travel:	
Implement and maintain a Climate Conscious Travel Policy.	
Change vehicle fleet to electric vehicles.	
Reduce our emissions related to travel.	
Investigate the impact of employee commute.	
Promote the uptake of more sustainable modes of travel where possible.	
Sustainable procurement:	
Understand and embed the principles of sustainable procurement into all procurement processes.	
Calculate carbon emissions associated with our value chain.	
Work with suppliers to understand the full impact of our supply chain.	
Improve the accuracy of emissions data from suppliers.	
Consider the environmental performance of any purchased goods.	
Implement incentives to encourage suppliers to reduce their carbon emissions.	

Topic	Status
Energy efficiency	
Monitor energy use monthly.	
Move our IT services to the cloud, reducing energy use and improving data security.	
Work with our landlord to drive forward energy efficiency improvements within the office.	
Work with the landlord to drive forward renewable energy projects within the office.	
Continue to encourage switching off equipment.	
Implement further energy efficiency measures where possible within the office.	
Implement additional water efficiency measures where possible within the office.	
Customer focus:	
We will incorporate our business goals for excellent customer service through reducing paper use associated with our billing processes.	
Offsets and carbon removals:	
As we reach our net zero deadline, we will invest in carbon removals for our residual emissions.	

Appendix Two | Our workforce data

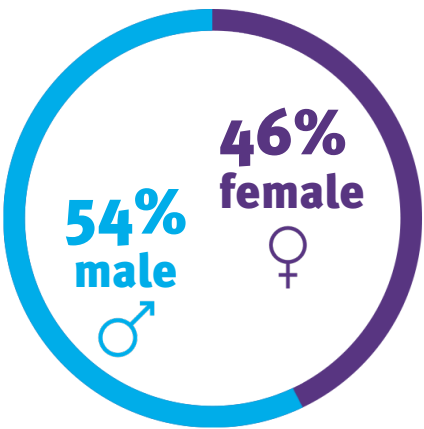
Gender

We've also been committed over the years to provide equal opportunities to women in the workplace, supported by our strong female leadership team and reflected in our gender pay gap report.

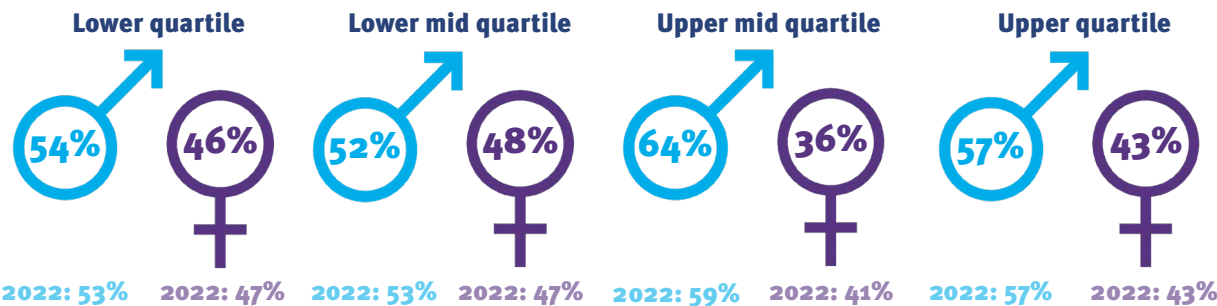
For the year 2022/23, on average, our female colleagues were paid 2.9% more than males for hourly pay. This is the first time we've seen a shift in this direction. Our median pay gap was 7.6% (in favour of males), however, our results are significantly better than the national average gap of 14.9% (in favour of males).

The proportion of males to females in each of our pay quartiles is broadly consistent with our overall workplace gender balance. The one exception is in the upper mid quartile where only 36% of the group are female. This quartile includes several specialist roles, including Technology and Transformation roles, which has been a challenging sector to recruit females within. We had 38 males in the upper quartile pay band on 31 March 2023 versus 29 females, however, the average pay gap for that quartile was 7.8% higher for females reflecting positively the number of females employed in Executive roles.

We also have a strong female leadership team, with both our CEO and the Chair of our Board being women, alongside 60% of our Executive Leadership Team and 60% of our Board.



Percentage of males and females in each pay quartile



Age

We recognise the importance of investing in Scotland's young people by providing training, work experience and employment opportunities and this is reflected in the various programmes we support (see Communities section for further details).

Over 9.5% of our workforce is under the age of 25 and 11.1% of our workforce is under 29 years old. Additionally, over 25.8% of our workforce are aged 50 or over, which demonstrates our commitment to providing employment opportunities to people of all ages.

Ethnicity

This year's data indicated that the percentage of our workforce that is ethnically diverse compares favourably to the Scottish population data.

We're developing plans to be able to better measure and report on ethnicity but we do know that at 7.2%, our workforce demonstrates a similar representation from minority ethnic groups to Scotland's average minority ethnic population of 4% (taken from Scotland census 2011).

Appendix Three | Responsible Business Foundations

In addition to delivering our vision to make a positive difference, we're committed to adhering to high standards across a range of business areas, including:

- health and safety
- cyber security
- data protection
- tax governance
- human rights
- bribery
- ethics

We have clear policies and systems in place to ensure we're taking a best practice approach to meeting requirements in all of these areas and we continually review our procedures to ensure they are fit for purpose, as well as to identify ways to make further improvements. We also require all our colleagues to undertake regulatory training on a frequent basis across a range of topics including fraud, bribery, UK GDPR and cyber security to help build knowledge and raise awareness of the policies we have in place for each of these important areas.

We're assessed and audited every year to ensure we're operating responsibly, and hold the following accreditations:

- Fair Tax Mark
- ISO 9001:2015 for Quality Management Systems*
- ISO 14001:2015 for Environmental Management Systems
- ISO 45001:2018 for Occupational Health and Safety Management Systems*
- Cyber Essentials for data security through ISAME.



*Solutions part of business only.

In addition, we have a vast range of internal policies designed to protect our colleagues. These include policies on Dignity at Work, Equal Opportunities, Anti-bribery, Confidentiality, Whistleblowing and Grievance. All our policies are available on our intranet for colleagues to easily access and are regularly reviewed and updated. We also publish our Gender Pay Gap and Modern Slavery statement on our website, which we update annually.

These are the foundations of any responsible business and we're committed to ensuring that we always have the right policies and procedures in place to help protect our colleagues, customers and suppliers.

Thank you!

Naturally different.