

Council

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Title	Environmental sustainability update
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Executive Summary This paper outlines the HCPC's continued actions aligned with the environmental sustainability statement and progress towards the HCPC's net zero targets. It includes updated emissions reporting, scope plans and actions and engagement activities.	
Action required	The Council is asked to review the information provided and seek clarification on any areas.
Previous consideration	The Council approved initial environmental sustainability plans in 2023, including publishing an environmental sustainability statement outlining our continued commitment to environmental sustainability. A subsequent update was also provided in 2024. A verbal update was presented to the People and Resources Committee (PRC) at its meeting on 19 September 2025.
Next steps	The HCPC will continue making progress towards being a leading environmentally sustainable regulator.
Financial and resource implications	This is a long-term objective that will require ongoing financial support. The various implementations required to deliver the objectives should in time see the organisation become more efficient and both environmentally and financially sustainable.
Associated strategic priority/priorities	Build a resilient, healthy, capable and sustainable organisation
Associated strategic risk(s)	5.a The resources we require to achieve our strategy are not in place or are not sustainable

Risk appetite	Compliance - measured
Communication and engagement	The HCPC will continue to provide regular communication and updates regarding environmental sustainability performance.
Equality, diversity and inclusion (EDI) impact and Welsh language standards	Climate change poses a threat to the health and wellbeing of everyone on the planet. The HCPC has committed to reducing the impact of our operations, partly delivered through the actions outlined in this paper.
Other impact assessments	This paper includes the assurance of HCPC data and sustainability as related to regulatory and business practices.
Reason for consideration in the private session of the meeting (if applicable)	Not applicable

Environmental Sustainability Update 2025

1 Introduction

- 1.1 In July 2023 and September 2024, the Council reviewed the HCPC's environmental sustainability progress. In 2023, this included the initial development of the strategy and the mid to long-term emissions targets. With supporting statements from the HCPC's Chair and Chief Executive, a sustainability statement was also published on the HCPC's public website, outlining our organisational commitment to environmental sustainability and supporting actions.
- 1.2 The HCPC is evolving from a well-established, carbon footprint-led approach toward a broader sustainability strategy that reflects the organisational priorities and the expectations of stakeholders, including as a public regulator. Over recent years, we've established a solid foundation by establishing our emissions baseline and made meaningful progress in reducing our direct operational emissions—specifically Scope 1 (gas) and Scope 2 (electricity) emissions, as defined by the Greenhouse Gas (GHG) Protocol. We've also set ambitious targets to reach net zero for these emissions by 2028–29.
- 1.3 An independent audit of environmental sustainability in 2024 for the Audit and Risk Assurance Committee (ARAC) highlighted priority areas to strengthen environmental sustainability. These included undertaking additional materiality assessments, aligning organisational reporting with recognised framework standards, and developing a more detailed roadmap and action plan. These findings have directly informed a forthcoming program of works further outlined within the paper.
- 1.4 This paper focuses on progress against our strategy and targets on reducing the organisation's own direct emissions (GHG Scope 1 gas and Scope 2 electricity) as a result of the HCPC's internal corporate operations and the longer-term target of addressing indirect emissions (Scope 3 purchased goods and services).

2 Data

- 2.1 The HCPC conducted an initial baselining exercise in 2022-23 measuring emissions covering the period back to 2019-20, setting this as our baseline year, the point from which developments and reductions are measured moving forward.
- 2.2 The exercise and associated work allowed us to analyse and understand the impacts and opportunities shared in the previous Council papers, which remain relevant.
- 2.3 Since the last update, we have continued measuring and tracking our emissions (externally measured and verified), which now also includes 2023-24 data (see Appendix A) covering five years of emissions data. This reflects the completed

estates consolidation exercise (completed on 31 March 2023) and the move from previous “brown” electrical supplies to a net-zero tariff supply (in 2024-25 the HCPC migrated to renewable energy sources).

- 2.4 The reporting process has seen refinements to the data again this year, including within previous years. Within 2022-23, updates to our direct emissions showed an increase of 6 tCO₂e (related to a building now no longer part of the HCPC estate). Indirect emissions relating to purchased goods and services for this same period have been restated following a management review of data showing an increase of 991tCO₂e (unverified). The reporting shows emissions for this category more aligned to the years prior and post the period.
- 2.5 We have been advised that reporting refinements should continue to be expected as understanding and reporting detail/data improve. We will shortly begin reviewing 2024-25 data, which should continue to show the positive change following the transition from net zero to renewable energy supplies across the estate (powered by solar, wind and hydroelectric sources) within the 2024-25 financial year.
- 2.6 For the latest audited reporting period (2023-24), Scope 3 emissions now make up as much as 97% of our overall emissions (those which we have less direct control over), predominantly relating to purchased goods and services (this percentage will continue to increase as direct emissions reduce). Comparatively, 1% relates to Scope 1 (gas) and 2% to Scope 2 (location-based electricity), which we have direct control over (further detail on scope 2 emissions reporting is outlined below).
- 2.7 Location-based emissions are calculated using the average emissions intensity of the electricity grid where energy is consumed. This reflects the physical energy use at the HCPC’s sites and highlights the importance of continual energy efficiency.
- 2.8 The HCPC transitioned onto a zero-carbon electricity tariff in 2023–24. This has been evidenced through supplier invoices, and the corresponding renewable or zero-carbon energy certificates are expected to be provided as part of ongoing supplier documentation.
- 2.9 Market-based emissions are calculated using emission factors from specific energy contracts or instruments, such as renewable energy tariffs or certificates. This reflects the HCPC’s purchasing decisions and the impact of the move towards renewable energy.
- 2.10 Market-based reporting demonstrates the positive impact of the HCPC’s net-zero strategy and renewable energy procurement. Location-based reporting ensures transparency of underlying energy demand and supports commitments to reducing energy consumption. This dual approach aligns with international best practice and shows a clearer picture of decarbonisation progress.

- 2.11 Purchased goods and services (PGS) emissions decreased slightly between financial years 2022–23 and 2023–24 (-1.9%), despite an 8% increase in total spend. This reduction is explained by the continued use of supplier-specific emission factors, which are lower than generic Quantis factors, and improved category reconciliation, reducing overlap with other scopes. Compared to FY21–22, PGS emissions are 16% lower, reflecting a longer-term downward trend and greater data precision achieved through methodological refinements.
- 2.12 We continue to work toward achieving the key strategic recommendations outlined by our consultants (Appendix B). Alongside the emissions reporting and carbon emission reduction plans, more detailed action plans are in development.
- 2.13 As a number of our emissions are calculated based on organisational spend, we utilise the audited financial accounts to calculate these emissions in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. Our external emissions reporting is therefore produced retrospectively within the following financial year, meaning this official reporting is a year or potentially more behind our current position. We are working toward more timely production of this information. As we are still reasonably early on in our sustainability journey, a relatively high proportion of estimated data is included; data and accuracy have improved and will continue to do so as we progress.
- 2.14 Reporting and data are also anticipated to continue requiring ongoing development. An initial in-house (unaudited and unverified) environmental management system has been developed to support reporting our direct emissions. Information is shared with the Executive and the People and Resources Committee. Plans are in place to implement a more comprehensive Microsoft-based sustainability module proof-of-concept (ongoing development initiative by Microsoft) within our financial system platform this financial year. The aim over time will be to build and provide more detailed and timely access to information for awareness and decision-making. The retrospective annualised reporting will continue for external validation, verification, and to support disclosure purposes.

3 Scope Plans and Actions

- 3.1 Scope 1 (gas): Following initial feasibility studies, the HCPC is preparing the broader staged plan to transition the buildings away from using natural gas for heating and hot water requirements. The first stage of the plan begins this financial year and focuses on upgrades and replacements to aged and end-of-life heating ventilation and air conditioning (HVAC) systems initially within a prioritised portion of the estate.
- 3.2 These works form part of the HCPC's planned investment program and will reduce the organisation's reliance on gas-powered boilers and radiators for heating. Any residual requirement for heating via these systems will transition to being powered by lower-capacity air source heat pumps. The broader plans, across the buildings, will be staged and phased to manage cost, disruption, and wider organisational

prioritisation whilst aiming to remain aligned with the agreed net-zero scope target timelines.

- 3.3 The new modern and efficient HVAC systems are expected to be easier to maintain (greater access to parts and materials), offer better operational management integration with existing and planned systems (online building management systems) and support a comfortable and productive working environment and the wellbeing of our employees, tenants and visitors.
- 3.4 Scope 2 (electricity): We continue our energy trading strategy to purchase renewable energy, working with Crown Commercial Services (CCS). Access to renewable energy is not guaranteed and is subject to an annual application process. We will continue to work with the supplier and CCS to maintain access as far as practical.
- 3.5 Although moving to renewables is a significant step in reducing carbon emissions, we recognise there is more to be done to reduce our overall consumption. We will continue to plan and implement energy-efficient systems to reduce overall energy consumption and, over time, related costs. We will continue to review our buildings, taking advice where appropriate to make informed decisions and investments to reduce consumption and emissions.
- 3.6 In 2025-26, the HCPC plans to transition a significant portion of the main server room equipment currently hosted locally at our offices in Kennington to cloud-based services hosted with Microsoft. This will have a noticeable impact on energy consumption. Microsoft is working toward its own objectives of being carbon negative by 2030.
- 3.7 Scope 3: This is our largest emissions area (like most businesses). Our focus in this area will continue to increase, particularly as plans for our direct emissions (Scopes 1 and 2) are gathering momentum.
- 3.8 The Finance Procurement team recently included sustainable procurement commitments within the updated HCPC procurement policy, formally endorsed by Council in July 2025. Outlining the HCPC's commitment to sustainable procurement, minimising environmental impact, promoting ethical sourcing, and aligning with national policies such as the net zero strategy. Procurement decisions will consider carbon reduction, waste minimisation, and resource efficiency, with preferences given to suppliers demonstrating environmental and ethical standards, including fair trade and relevant certifications. Supplier collaboration and innovation is encouraged to deliver broader environmental, social, and economic benefits. These commitments will support our longer-term Scope 3 emissions reduction targets.
- 3.9 The ongoing implementation of reporting systems, data development, and metrics will help us provide a timely and accurate understanding of our position and prioritise target areas within this scope. Where possible, we hope to draw in the target timeline set for this scope when appropriate, with a better understanding of our position.

3.10 The increased accuracy of waste (Scope 3) reporting will continue. This has recently been included within reporting following the transition to a new supplier and the adoption of a zero-to-landfill waste management approach.

3.11 Further actions include:

- continued implementation of environmental sustainability criteria within certain job roles and responsibilities, to maintain and support ongoing requirements;
- additional assessment and guidance criteria for external contractor evaluation for onsite works (aligned with procurement updates outlined above);
- investment case environmental consideration and impact assessment criteria;
- water reduction assessment of washroom facilities; and
- smaller changes such as the transition to compostable drinking cups onsite now for both hot and cold drinks.

4 Forward Plans

4.1 In addition to the details outlined above, we will continue our environmental sustainability work supported by expert consultants and have developed a program to strengthen the HCPC's position and inform environmental plans moving forward. These plans can be broken down into three key focus areas and align with audit improvement recommendations:

4.2 Climate and net zero:

- continue greenhouse gas emissions reporting;
- progress the staged gas phase-out and HVAC system modernisation;
- maintain access to renewable electricity supplies through CCS;
- explore further onsite energy efficiency and asset resilience measures (e.g. heat-resilient building materials and temperature management); and
- monitor and adapt to evolving UK and international climate disclosure frameworks.

4.3 Environment and systems:

- implement Microsoft's sustainability module within the financial reporting system;
- improve timeliness and accuracy of data collection and reporting across all scopes; and
- integrate sustainability metrics into performance management and decision support tools.

4.4 Strategy and roadmap:

- continue to align Scope 1–3 targets with the HCPC Net Zero timeline;
- undertake an updated materiality assessment to prioritise high-impact actions; and
- strengthen governance oversight of climate and environmental risks across function.

5 Key Risks and Opportunities

Climate change presents both strategic risks and opportunities for the HCPC. As a public regulator, the organisation's physical assets, operations, and long-term commitments are increasingly exposed to changing environmental, regulatory, and societal conditions.

While the HCPC has made strong progress on reducing direct emissions (Scopes 1 and 2), ongoing changes in the external environment, ranging from evolving disclosure expectations to physical climate impacts, will influence future strategy, investment decisions, and reporting.

To remain resilient and compliant, the HCPC's approach must continue to integrate climate-related considerations into long-term asset management, operational planning, and supply chain engagement.

Key climate-related risks are summarised in the table below:

Category	Description
Transition and Policy Risk	The UK's net zero commitments and evolving sustainability disclosure standards (e.g. UK SRS, ISSB-aligned expectations) may require the HCPC to strengthen data systems, governance, and reporting to maintain compliance and transparency.
Net Zero Target Delivery	Achieving the HCPC's 2028–29 net zero target for Scopes 1 and 2 and 2040 for Scope 3 depends on timely delivery of gas phase-out and supplier engagement programmes. Delays in infrastructure investment or supplier readiness could affect credibility and target timelines.
Physical Climate Risk (Built Environment)	Rising average temperatures in the UK and more frequent heat events may affect the performance, maintenance costs, and valuation assumptions of the HCPC's estate. This includes potential reassessment of asset useful lives and impairment considerations.

Key climate-related opportunities are summarised in the table below:

Category	Description
Net Zero Delivery as a Strategic Enabler	Delivering on the 2028–29 gas phase-out and renewable energy transition supports energy resilience, long-term cost stability, and demonstrates public leadership in sustainability.
Data Systems and Digital Integration	The implementation of Microsoft's sustainability module and improved supplier data collection will enable more accurate, timely, and auditable information, strengthening decision-making and external confidence.
Supply Chain Collaboration	Strengthened supplier engagement creates opportunities for innovation, cost efficiency, and shared sustainability benefits across the HCPC's procurement ecosystem.

6 Recommendation

- 6.1 The Executive Leadership Team recommends that the Council note the continued progress toward the HCPC's agreed net zero targets and the ongoing approach outlined.
- 6.2 With the People and Resource Committee and the Council's ongoing support, the HCPC will continue making progress toward being a leading environmentally sustainable regulator.

Appendices

Appendix A: GHG Emissions Scopes and Targets and GHG Emissions reporting 2019-2024

Appendix B: Emissions Reporting: Key Recommendations

Appendix A

Greenhouse Gas Emissions Scopes and Targets

Scope	Emissions	Target timeline*
Scope 1	Natural Gas (direct emissions from controlled assets)	2027-28
Scope 2	Electricity (indirect emissions from purchased energy)	2023-24 (achieved)
Scope 3	Purchased goods and services (Indirect emissions from supply-chain) produced through operations.	2039-40

* Timelines are in financial years. Works will continue within target years.

Greenhouse Gas Emissions Reporting from 2019-20 to 2023-24

Type	Category	Presented to management in FY22-23				Current Yr FY23-24	Current Yr FY23-24	Year on Year change
		FY19-20	FY20-21	FY21-22	FY22-23			
		Total Emissions (tCO ₂ e)	Total Emissions (tCO ₂ e)	Total Emissions (tCO ₂ e)	Total Emissions (tCO ₂ e)	Total Emissions (tCO ₂ e)	% of Total Emissions	%
Scope 1	Total Scope 1	40.7	26.9	33.0	36.2	28.9	1%	-20%
	Natural gas	40.7	26.9	33.0	36.2	28.9	1%	-20%
Scope 2	Total Scope 2 (location based)	146	105	102	81.8	82.1	2%	0%
	Electricity (Location based)	146	105	102	81.8	82.1	2%	0.3%
	Electricity (Market based)*	66.3	52.2	47.4	36.4	-	0%	-100%
Scope 3	Total Scope 3	4,276	3,100	4,013	3,481	3,523	97%	1.2%
	Purchased Goods & Services and Capital goods	3,892	2,821	3,701	3,143**	3,083	85%	-1.9%
	Fuel & Energy Related Activities	39.8	28.3	43.4	34.7	31.7	1%	-8.8%
	Waste generated in operations	-	-	-	1.28	0.29	0%	-77%
	Business travel	304.2	0.96	2.03	12.6	14.5	0%	16%
	Employee commuting and remote working	39.3	250	267	289	394	11%	36%
	TOTAL	4,462	3,232	4,148	3,599	3,634	100%	0.97%

- *The FY23-24 tariff was the EDF Zero Carbon tariff (100% nuclear). This has been evidenced through supplier invoices, and the corresponding renewable or zero-carbon energy certificates are expected to be provided as part of ongoing supplier documentation
- **Management identified an error in FY22-23 Scope 3 PG&S spend data provided to Acclaro. Corrected figures are now reflected in this report.

Appendix B – Key Recommendations

During FY23–24, HCPC implemented a number of foundational actions to improve the coverage, accuracy, and understanding of environmental data. These included:

- Collecting supporting data and documentation for energy use and waste.
- Improving information on business travel, staff commuting, and homeworking patterns.
- Introducing renewable energy purchasing and energy-efficiency measures.
- Embedding sustainability considerations into procurement and supplier engagement.

These actions have strengthened HCPC’s environmental data quality and internal awareness, creating a strong foundation for the next phase of development. The following five recommendations therefore focus on progressing from data improvement to strategic integration, system maturity, and long-term resilience.

No.	Recommendation	Action	Strategic Relevance
1	Maximise the benefits of digital reporting integration	Support the internal implementation of the Microsoft Sustainability Module by aligning environmental data processes, emission factors, and reporting boundaries with existing GHG accounting methods.	Strengthens the link between environmental and financial reporting, supporting integrated decision-making, transparency, and readiness for future assurance requirements.
2	Develop a climate resilience and adaptation plan	Undertake a physical climate-risk assessment (e.g. heat, water, flooding) across HCPC’s estate and operations, and identify further energy-efficiency and decarbonisation measures, such as upgrading HVAC systems, installing heat pumps or solar PV, and improving lighting efficiency, to support resilience and continuing reduction of Scope 1 and 2 emissions.	Strengthens long-term asset protection, operational continuity, and cost efficiency by integrating physical climate risks and energy-efficiency planning into strategic and estate-management decisions.

No.	Recommendation	Action	Strategic Relevance
3	Strengthen Scope 3 management and engagement	Implement the new Sustainable Procurement Policy through supplier engagement, pilot disclosure initiatives, and expanded Scope 3 data collection - including supplier reporting and internal employee surveys covering commuting and homeworking patterns.	Enhances HCPC's understanding and management of indirect (Scope 3) emissions by integrating supplier and employee engagement, improving data quality, and positioning HCPC as a responsible and transparent public regulator.
4	Align with recognised sustainability and disclosure frameworks	Continue to review HCPC's environmental reporting against emerging national and international sustainability disclosure frameworks and public-sector expectations.	Ensures HCPC remains aligned with best practice in transparency and governance, maintaining stakeholder confidence and future regulatory readiness.
5	Build organisational capability and culture	Build on existing training and awareness programmes by developing targeted sessions for Estates, Procurement, and Finance teams focused on embedding sustainability into operational planning, investment decisions, and supplier engagement.	Reinforces and systematises current efforts by ensuring sustainability competencies are consistently applied across functions, strengthening governance, accountability, and long-term culture change.

Integration of Previous Recommendations (FY22-23) with Current Strategic Focus (FY25-26)

The initial recommendations provided in FY22-23 were operational in nature, aimed at improving data coverage, accuracy, and evidence gathering. These actions have largely been addressed through strengthened reporting processes, supplier engagement, and renewable energy transition. The current year recommendations now focus on embedding these practices into HCPC's systems, governance structures, and culture,

marking the evolution from data collection to strategic integration and long-term resilience. Below you can find a summary of the status/progress of the FY22-23 recommendations.

FY22–23 Recommendation	Status / Progress (as of FY25)
1. Improve understanding of energy consumption and evidence base (invoices, usage by site).	Progressing through ongoing GHG reporting and data reconciliation improvements, helping to strengthen visibility of energy use across the estate.
2. Consider energy-efficiency measures to reduce Scope 1 and 2 emissions (e.g. heat pumps, LED upgrades).	Progressing through the estates and HVAC replacement programme, helping to modernise systems and reduce reliance on gas-powered heating.
3. Encourage switch to renewable energy purchasing.	Progressing with the transition to a zero-carbon electricity tariff (EDF Zero Carbon) in FY23–24, helping to lower market-based emissions.
4. Work with Procurement to integrate carbon and Responsible Business criteria in supplier selection.	Progressing through the updated Procurement Policy approved July 2025, helping to embed sustainability within procurement decisions.
5. Collect supplier information on carbon and Responsible Business practices; engage suppliers to reduce emissions.	Progressing through supplier collaboration activities and the implementation of sustainable procurement commitments, helping to build Scope 3 maturity.
6. Collect data on employee commuting and remote working; enhance engagement.	Progressing with initial commuting and home-working data collection, helping to inform future engagement and behavioural initiatives.
7. Provide detailed, itemised breakdown of business travel.	Progressing through refined reporting and reconciliations, helping to improve the accuracy and transparency of travel-related emissions data.
8. Obtain detailed waste data from suppliers.	Progressing through improved supplier reporting and the zero-to-landfill initiative, helping to strengthen waste data accuracy and circular-economy alignment.