# Council

# 6 July 2023



# **HCPC** Environmental Sustainability

### **Executive Summary**

This paper outlines HCPC's progress on the developing environmental sustainability agenda aligned with the Corporate Strategy. It covers the organisations initial baselining exercises and from this the development of the sustainability targets, outline road mapping towards net zero and targets, a supporting sustainability statement outlining the organisations commitment to this objective has been prepared.

Previous consideration	Council took part in a seminar on sustainability in November 2022.
Decision	Council is asked to: 1. Note the progress toward HCPCs net zero ambition 2. Approve the sustainability statement for publishing on our website 3. Agree the high-level roadmap (Appendix A) and net zero targets within the paper
Next steps	With Council's approval and support HCPC will continue progress towards being a leading environmentally sustainable regulator by following the actions outlined within the paper. The sustainability statement will be published confirming the organisation's commitment toward our objectives.
Strategic priority	Strategic priority 5: Build a resilient, healthy, capable and sustainable organisation
Financial and resource implications	This is a long-term objective that will require ongoing financial support. The various implementations required to deliver the objective should in time see the organisation become more efficient and both environmentally and financially sustainable.
EDI impact	Climate change poses a threat to the health and wellbeing of everyone and the planet. HCPC aims to reduce the impact of our operations through these initiatives.
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### **HCPC** Environmental Sustainability

#### Introduction

- 1. Aligned with the Corporate Strategy 2021-2026, HCPC has been developing plans to achieve the long-term environmental objective of net zero carbon emissions for us as an organisation. To enable progress the Executive engaged expert consultants to provide analysis and advice.
- 2. Over the past few years HCPC has made significant progress in reducing our environmental footprint, including through a 50% estates reduction, the move to hybrid working, enhancements to building management systems, moving core systems and services online (reducing paper consumption, associated services and waste) and developing a rolling schedule of system and service upgrades which improve energy efficiency.
- 3. Looking ahead we are focusing on the reduction of the organisation's direct emissions in the early stages. This paper focuses on HCPC's organisational journey towards being a net zero regulator. We have also begun to engage stakeholders in early conversations about the environmental impact of our wider regulated community, including through the recent SCPEs consultation. We will keep Council updated on developing thinking about the wider environmental impact of the services we regulate.
- 4. The consultancy exercise identified high-level priority areas for HCPC as an organisation, including:
  - Confirming pathways to decarbonisation (net zero emissions for our operations by 2028), and defining specific plans to achieve it, including operational transformations, changes to governance processes, supply chains, and setting investment priorities.
  - Incorporating environmental considerations into our regulatory, operational and corporate processes and systems.

#### **Data**

5. To inform decision making the executive has carried out an exercise to analyse our impact and identify opportunities. This involved analysing a range of historic source data across departments over a number of years which were externally validated, processed, and reported according to the internationally recognised Greenhouse Gas (GHG) Protocol Corporate Standard Calculation Tools. 6. In line with the standard GHG methodology, HCPC's emissions, can be broken down three main scopes, as set out in Figure 1.

Figure 1: GHG emissions scope

Scope	Emissions		
Scope 1	Natural Gas (direct emissions from controlled assets)		
Scope 2	Electricity (indirect emissions from purchased energy)		
Scope 3	Purchased goods and services (Indirect emissions from supply chain) produced through operations.		

- 7. The baselining exercise has enabled us to establish a baseline year (2019-20) from which to measure progress. The process was intensive and highlighted areas where more focus is required in future. This being the first year of reporting there is a high proportion of estimated data based on industry assumptions; the figures can be adjusted as data quality improves with time. We are advised by our consultants that this is usual at this early stage.
- 8. The baseline data is set out in Figure 2 below, along with the two following years. Looking forward there is a need for HCPC to implement an environmental management system to provide higher quality and more timely information, reporting, record keeping, and potential metrics (see Appendix A) although we are also likely to need some continuing external assessment and validation.

Figure 2: Table of Emissions

Scope	Category	Total Emissions (tCO₂e) FY19-20	Total Emissions (tCO₂e) FY20-21	Total Emissions (tCO₂e) FY21-22
	Total Scope 1	40.74	26.88	33.03
Scope 1	Natural gas	40.74	26.88	33.03
acope i	Diesel/gas oil in generators	-	-	-
	Refrigerant gases from buildings Fleet Vehicles	-	-	-
S 2	Total Scope 2 (Location based)	146.01	104.96	101.56
Scope 2	Electricity (Location based)	146.01	104.96	101.56
	Electricity (Market based)	66.26	52.22	47.35
	Total Scope 3	4,275.62	3,077.78	3,989.16
	Purchased goods & services and Capital goods	3,892.40	2,820.62	3,700.96
	Fuel & Energy Related Activities	39.79	28.25	43.43
Scope 3	Waste generated in operations	-	-	-
	Business travel	304.18	0.96	2.03
	Commuting & Remote Working	39.26	227.95	242.74
	Use of Sold Products	-	-	-
	Investments	-	-	-
TOTAL	ALL	4,462.36	3,209.62	4,123.75
TOTAL	Scope 1 & 2 (Location based)	186.74	131.84	134.59
TOTAL	Scope 1 & 2 (Market based)	107.00	79.10	80.38

Market based: Reflects emissions from electricity that companies have purposefully chosen. Location based: Reflects average emissions intensity of the grid where consumption occurs.

9. Following the development of the baseline data, workshops were held with the Senior Leadership Group and Executive Leadership Team (who have been updated throughout) to establish a high-level plan to move towards net zero. These workshops also provided a good opportunity to increase environmental sustainability awareness at these levels.

#### **Planning**

- 10. For Scope 1 (Gas) the plan is transition to alternate (likely electrical) heat source supplies replacing the need to burn gas (direct emissions) onsite. Capital investment will be required to replace the four main gas boilers across the buildings. Engineering/specialists will be engaged this year to scope options and timelines. Procurement will support the tender process with costs yet to be determined.
- 11. We have already achieved net zero emissions on **Scope 2** (Electricity): working through Crown Commercial Services we developed and have now implemented a strategy which included the migration (in April 2023) of all electrical supplies from what were termed "brown" or "mixed" supplies to "net zero" supplies. Looking ahead we will evaluate options for access to renewable supplies where affordable.
- 12. **Scope 3** makes up as much as 89% of our total carbon footprint in the years for which we have data, making it the single most critical area for achieving our carbon targets. It has fifteen sub-categories depending on the activity which produces the carbon. HCPC's largest category inside Scope 3 is Purchased Goods and Services. HCPC recognises the importance of our suppliers as key partners in our carbon reduction journey. We have begun strengthening our procurement and contract management policies and governance and are looking to increase engagement with suppliers. This being the largest emissions area and not directly within our control there are limitations to the actions that we can take. In some cases we can use procurement and supplier management to set expectations and exert leverage, potentially working with other regulators. In other cases, including multinational technology companies, our focus is likely to be more on monitoring their progress towards net zero, which will have an impact on our scope 3.1 We also expect to benefit over time from CCS's buying power in this respect.
- 13. With the help of the consultants we have developed a roadmap (see Appendix A) which sets out a series of recommended short, medium and long-term actions. The longer-term actions in particular will be revaluated and updated as we progress and learn more, especially in relation to Scope 3.
- 14. ELT has reviewed the roadmap and agreed the following high-level net zero target timeline by scope.

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<sup>&</sup>lt;sup>1</sup> For example Microsoft has set an objective to be carbon negative by 2030.

Figure 3: Net zero provisional targets by scope

Scope	Target timeline	
Scope 1 (Gas)	2027-28	
Scope 2 (Electric)	2023-24	
	(achieved)	
Scope 3 (Purchased Goods and		
Services)	2039-40	

15. HCPC's governance, performance reporting and risk management frameworks will enable ELT to oversee and manage progress against the developing plans and targets with regular updates to Council.

#### Sustainability statement

- 16. A sustainability statement has been developed (see Appendix B Statement) aligned with the corporate strategy, outlining our organisational commitment to environmental sustainability. The intention, subject to Council's approval, is for this to be published on our website.
- 17. There will be a requirement for supporting policies and processes to underpin the statement, including in relation to procurement and organisational reporting. We will report publicly on progress in our Annual Report and Accounts; the 2022/23 ARA will include the new baseline data.

#### Internal and external engagement

- 18. Ongoing engagements sessions at various levels, both internally and externally have been positive:
  - Internally: HCPC Council Seminar, regular ELT meetings, SLG awareness and feedback session, Engagement sessions with Employee Forum and HCPC Council presentations
  - Externally: Collaboration with other regulators GMC, NMC, GOsC, the Greener NHS Team, NHS Clinical Fellows, Cross-regulator CSR team, GreenerAHP Week presentations.

The recent consultation on Standards of conduct (SCPE) included a question to explore how sustainability may be incorporated into Standards in future.

19. Further engagement is under way with the wider organisation, working through the Employee Forum who have responded enthusiastically and made a number of proposals. As an early priority we plan to conduct an employee survey to raise awareness and build our understanding of remote working emissions. There are also plans to involve employees in the development and delivery of the detailed organisational targets being set within the roadmap.

#### Recommendation

- 20. The Executive recommends that Council:
  - Notes the progress being made towards HCPC's net zero ambition;
  - Approves the sustainability statement for publication on our website;
  - Agrees the high level roadmap (Appendix A) and net zero targets (Figure 3).
- 21. With Council's approval and support HCPC will continue progress towards being a leading environmentally sustainable regulator.

# **Environment Roadmap**

Short term : 2023-2025	<b>M</b> edium term : 2025-2028	Long term : 2028-2050
<ul> <li>Audit premises and practices. Implement improvements, including management systems</li> <li>Consider impact assessments for all new projects</li> <li>Electricity from carbon-zero source, Consider ways to avoid natural gas</li> <li>Support WfH and commuting improvements</li> <li>Stakeholder engagement and materiality: Employee engagement programme Consider Registrants' programmes</li> <li>Supply chain: surveys, policy developments, Supplier engagements, scorecards, onboarding</li> </ul>	<ul> <li>Continued focus on energy efficiency and renewables (including on-site solutions)</li> <li>Refresh and continue implementing audit improvements</li> <li>Embed supplier engagement programme and incorporate GHG emissions into purchasing decisions. Increase standards for suppliers and their suppliers</li> <li>Sector collaboration</li> <li>Net Zero achieved across HCPC operational emissions by 2030</li> </ul>	<ul> <li>Continued investment in efficiency and engagement programmes</li> <li>Review and refresh on-site energy solutions</li> <li>Responsible offsetting of remaining emissions</li> <li>Carbon accounting embedded</li> </ul>
Develop ESG foundations and capabilities	Net Zero being achieved across HCPC operations	Net Zero achieved across HCPC's whole value chain

# Net Zero targets

- Net Zero for scopes 1 and 2 by 2030
  - Move heating from gas to electric. Electricity source moves to nuclear, with consideration of fully renewable / on-site
  - 80% Net Zero by 2028
- Net Zero/ carbon neutral for all relevant Scope 3 by 2050
  - Stakeholder engagement and responsible supply chain programmes
  - Interim milestone for selected Scope 3 categories 50% Net Zero by 2035
- Offsets Late-stage, special focus appropriate to HCPC





# Proposed Environment and Net Zero Initiatives

### Utilities, Energy, Water, Waste

- Move away from Nat Gas to electric heating, and toward on-site generation/ fully renewable
- Water and Biodiversity: consumption reduction, good stewardship initiatives, local improvements
- Waste Increasing recycling rate, greener transport

#### **Business Travel Reductions**

- Set policies for green travel, keeping emissions no higher than 2021-22 year

## **Employee Commuting and Work From Home**

- Support transition to greener practices at home, such as more efficient monitors and moving to green energy tariffs.
- Support transitions to greener commuting, such as switching vehicles to electric, cycles, walking instead of buses.

### Purchased Goods & Services and Capital Goods - Suppliers reduce emissions

- Liaise with suppliers for calculation of carbon footprint allocated to HCPC, and developing Carbon Reduction Plans
- Embed sustainability into procurement so all new suppliers meet the ESG standards required

## **Engagements with Employees and Registrants**

- Employee Green Team proactive on reducing consumption, waste, biodiversity, wellbeing, social impact
- Registrants support in awareness of government plans and HCPC journey





# Audits: Water, Air and Energy

An audit can examine policies, practices, and premises. In addition to policies and systems being proposed, a number of efficiency reduction activities may be recommended. Some of these have already been discussed with HCPC, and may include

- Water quality, usage, and good stewardship
- Air quality, ventilation, and adjustments taking into account usages
- Monitoring and metering to identify waste and disposal
- Employee/ stakeholder engagement programmes and reduction campaigns
- Full review of heating demand and control including: setpoints (hours, temperatures, etc.), hot spots/cold spots, sensors location, air conditioning and distribution, building envelope/insulation and fenestration
- Replacing boilers with heat pumps or appropriate methods
- LED lighting & sensor controls, impact on wellbeing
- Solar panels on roofs/external areas, and suitability of wind turbines (roof-mounted)
- Nature and biodiversity inclusion and impacts on wellbeing
- Moving to a high-quality fully renewable tariff, Power Purchase Agreements (PPA) or similar





# **Measures and Metrics**

In addition to the measures of carbon in line with the standard protocols, HCPC can monitor its progress with measures specific to its responsibilities and practices, which may include:

- Carbon per tribunal
- Carbon per FTE (full time employee)
- Carbon per office attendee per hour (including guests and lessees)
- Repeat assessments of ESG every two years
- Develop life cycle analysis of impacts of purchases and activities
- Water usage per unit of main activities
- Air quality and ventilation, for same units
- Waste per similar units and its disposal
- Measures and assessments of employee and / stakeholder engagement programmes
- Wellbeing measures
- Measures of Nature and biodiversity inclusion







## Sustainability Statement

The HCPC aims to be an environmentally sustainable regulator, minimising negative impacts on our environment and enhancing our social impact on people and society. We will improve our sustainability by working in partnership with our employees, communities, registrants, service users, suppliers, and other stakeholders.

#### **Vision**

HCPC's vision is to be a high performing, adaptable and caring regulator that ensures public protection through strong, evidence-based regulation.

### **Purpose**

Our purpose is to promote excellence in the professions we regulate and champion high-quality care that the public can access safely and with confidence.

#### Goals

We have as one of our goals to build a resilient, healthy, capable and sustainable organisation. This goal is underpinned by our values of being Fair, Compassionate, Inclusive and Enterprising.

Our values underpin what we do and how we do it, to help us operate to high standards and effectively as a regulator and employer



Fair being honest, open and transparent



Compassionate treating people with respect, empathy and care



Inclusive collaborating with others and



seeking opportunities to be creative and foster championing diversity innovation to improve our performance

Enterprising

#### **Our Commitments**

HCPC will work with employees, partners, suppliers, and other stakeholders to deliver the aims set out in this statement. In particular, we will:

#### Organisational

- 1. Meet applicable compliance obligations, where possible looking to exceed these requirements on a voluntary basis that is aligned with our environmental emissions targets.
- 2. Commit to the continuous improvement of our environmental sustainability performance.
- 3. Provide the necessary resources and support for the initiatives and programmes designed to deliver our sustainability commitments.
- 4. Source goods and services through our procurement activity in ways which support and reflect HCPC's environmental commitments.

### Engagement

- 5. Promote a culture in the organisation that embeds sustainability as a core organisational goal.
- 6. Provide training and support to enable delivery of our sustainability commitments.
- 7. Engage our employees and stakeholders to raise awareness of, and foster support for our sustainability commitments.
- 8. Engage with HCPC suppliers in respect of their sustainability performance in support of HCPC's targets and ambitions.
- 9. Make this statement publicly available and keep it updated.

Actions that we will take in support of these commitments include:

- Achieve carbon net zero in our direct operational energy emissions by 2028-29.
- Develop energy management practices to reduce or eliminate dependency on fossil fuels.
- Continue to reduce consumption of resources and emissions through analysing practices and implementing changes to operations and businessrelated travel.
- Support employees in more sustainable work and travel patterns.
- Ensure that our procurement and contract management policies and processes align with and enable delivery of HCPC's sustainability targets and commitments.