

Net Zero and Sustainability Annual Report



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Summary:	This publication outlines net zero related actions delivered by SFC over Financial Year (FY) 2024-25.
FAO:	Principals and Directors of Scotland's colleges and universities, SFC Board members, and the general public
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Table of Contents

Overview 3

 Theme 1 – Driving corporate accountability..... 4

 Theme 2 – Innovation, education, research and entrepreneurship..... 5

 Theme 3 – Finance and funding 6

 Theme 4 – Green estates 6

 Theme 5 – SFC carbon reduction 7

Further information..... 8

Overview

1. The Scottish Funding Council (SFC) published its Net Zero Framework for Action in 2022 and the corresponding Net Zero Delivery Plan was finalised in 2023. This report outlines actions delivered against SFC's Net Zero and Sustainability Delivery Plan in FY2024-25.
2. SFC aims to be net zero by 2045, in line with the overall target date for Scotland. The Framework sets out actions required by SFC to begin this journey. It demonstrates SFC's commitment to responding to the climate emergency and details how it will reduce its emissions and support the sector to deliver world-class research, innovation and skills to support Scotland's response to the climate emergency.
3. The Framework for Action outlines 15 actions under five themes which will guide SFC's climate emergency response in all aspects of its operations:
 - Driving corporate accountability.
 - Innovation, education, research and entrepreneurship.
 - Finance and funding.
 - Green estates.
 - SFC carbon reduction.
4. The Framework aligns with national policy and statutory net zero targets, including the National Strategy for Economic Transformation, Just Transition planning, the Scottish Government's Climate Change Plan, and the Sustainable Development Goals in the National Performance Framework.
5. Responding to the climate emergency is an underpinning theme of SFC's strategic plan for 2022 to 2027. It states that this response "involves taking collective responsibility to address the ambitious target to reduce carbon emissions and deliver a just transition to net-zero by 2045. Alongside our own organisational contribution, we will support the bodies we fund to drive change through student education, research and innovation for a greener Scotland, scientific advice to inform policy, and through estates strategies.

Theme 1 – Driving corporate accountability

SFC will lead the way on net zero action for the tertiary education sector and hold institutions accountable for embedding climate action in their operations.

Action Point 2¹

Leadership and Governance.

- SFC launched the Net Zero Delivery Group which brings together senior leaders from across SFC and those working closely on climate emergency related issues into a forum where they can discuss implementation of the Delivery Plan and drive forward work to reduce SFC's operational emissions.
- We responded to the Scottish Government's consultation on Scotland's Third National Adaptation Plan, and our response was reflected directly in the final version of the plan. We have also initiated work on our own organisational adaptation.

Action Point 3

Communications.

- We ran several well-attended events during Climate Week in September 2024. For example, we ran an event alongside other Scottish public bodies highlighting action being taken across the public sector to respond to the climate emergency.

Action Point 4

Impact, assurance, & accountability mechanisms.

- Indicators for the net zero elements of SFC's new Outcomes Framework and Assurance Model were developed, with net zero and sustainability as a cross-cutting theme across each outcome.
- We provided around £150k annual funding to EAUC Scotland to support the sector's transition and whole-institutional climate leadership.
- We have funded the impact award under the UK Green Gowns Awards, to celebrate excellent practice in innovation in the tertiary education sector to combat climate change, and participated in two judging panels for the awards.

¹ Action point 1 = Reach Net Zero by 2045.

Theme 2 – Innovation, education, research and entrepreneurship

SFC's funding will support the tertiary education sector to invest in research and skills which contribute to Scotland's climate emergency response.

Action Points 6, 7, 8

Knowledge exchange and innovation assets,
Net zero entrepreneurship, Alliances for
Research Challenges.

- Our food and energy Alliances for Research Challenges support mission-driven approaches where sustainability is hard-wired into the challenges and solutions being investigated.
- Net zero and environmental sustainability were key considerations in our recent review of the Innovation Centres.

Actions Points 9 and 10

Climate Emergency Skills Action Plan,
Learning for Sustainability.

- The skills team ran a successful survey of Scotland's colleges to develop a baseline of provision for current and future skills needs. This has informed a number of pieces of work undertaken by the skills team including discussions with the Skills, Enhancement, Access and Learning Committee and SFC's Senior Management Team.
- We work to mainstream learning for sustainability through the Scottish Government's Learning for Sustainability leadership group with other Scottish education public bodies.
- SFC is a key partner in the Scottish Offshore Wind Energy Council (SOWEC) Skills Group and other sector-specific skills groups mainstreaming sustainability skills.
- We delivered around £350k funding for the Energy Skills Partnership which builds key capability and capacity in the college sector to support net zero emerging skills priorities and curriculum integration.
- The Regional Tertiary Pathfinders project is designed to understand how regional collaboration could lead to more coherent and sustainable provision better aligned with regional economic and skills need. This year the project culminated in the publication of a series of reports about the seven pilot projects, including the Energy Transition Skills pilot project and the Land Based Learning Innovation pilot project. The findings of these reports have been disseminated across the sectors to ensure that the lessons learned are shared widely across the sectors.
- We funded EAUC Scotland to support colleges and universities to embed learning for sustainability, sharing best practice across the Scottish sector, equipping students to engage in study and work.

Theme 3 – Finance and funding

SFC will embed net zero finance approaches and consider alternative capital funding approaches which can meet the wide-ranging investment needs of our institutions in pursuing net zero ambitions.

Action point 11

Net zero finance and funding.

- We included Taskforce on Climate Financial Disclosures (TCFD) Phase 1 reporting in our 2023-24 Annual Report and Accounts and we will develop this work further to include TCFD Phase 2 in the 2024-25 Annual Report and Accounts.

Theme 4 – Green estates

SFC will support institutions to develop sustainable estates through its College Infrastructure Strategy and estates investment.

Actions points 12 and 13

College Infrastructure Strategy, Collaborative net zero place-making.

- The College Infrastructure Strategy baselining exercise was completed, giving us an understanding of the net zero requirements of the college estate.
- We delivered around £3 million per annum to Advanced Procurement for Universities and Colleges to support a sustainable procurement strategy and activities sector-wide.
- We delivered around £8 million to JISC to support digital services for tertiary education bodies in the UK, including a net zero by 2040 trajectory.
- We secured funding for EAUC to continue delivering support and expertise for the sector's transition to net zero. SFC funding has supported:
 - The second Public Bodies Climate Change Duties Report, by facilitating peer review events and guidance videos on completing reporting template.
 - Publication of a staff and student emissions calculator tool to help institutions more accurately measure travel emissions.
 - Publication of a report on provision of Learning for Sustainability in colleges.

Theme 5 – SFC carbon reduction

SFC will endeavour to reduce its own operational emissions as far as possible and in line with Scottish Government public sector climate change guidance.

Action points 14 and 15

Staff development, emissions reporting and reduction.

- Following a request from the Cabinet Secretary for Net Zero, Energy and Transport to all public bodies, we reviewed our data collection and reporting process for reporting requirements under the Climate Change (Scotland) Act 2009. Following this, we implemented improvements including expanded sources from which we report and gathering data in a more systematic way.
- We submitted SFC's Public Bodies Climate Change Duties report on time, with improved data collection.
- We collaborated with key public sector partners (and accessed sector resources) on operationalising our climate response. We are members of the Public Sector Climate Adaptation Network and the Net Zero Collaborative Group.
- SFC's new procurement policy was published and keeps us in line with SG's Sustainable Procurement Duty.
- We initiated work on our route map to net zero emissions. This will be progressed over the summer of 2025 and finalised in the autumn.

Further information

6. Please contact the SFC Policy Team, email: policy@sfc.ac.uk.

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