



Scottish Funding Council  
Comhairle Maoineachaidh na h-Alba

SFC Corporate Publication

Reference: SFC/CP/05/2026

Issue date: 22/06/2026

# Net Zero and Sustainability Annual Report 2025–26



## Net Zero and Sustainability Annual Report 2025–26

---

Issue Date:	22 June 2026
Reference:	SFC/CP/05/2026
Summary:	This publication outlines net zero related actions delivered by SFC over Financial Year (FY) 2025–26.
FAO:	Principals and Directors of Scotland’s colleges and universities, SFC Board members, and the general public.
Further Information:	<a href="mailto:policy@sfc.ac.uk">policy@sfc.ac.uk</a>

---

# Table of Contents

---

Overview..... 3

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

**Theme 2 – Innovation, education, research and entrepreneurship ..... 6**

**Theme 3 – Finance and funding ..... 8**

**Theme 4 – Green estates ..... 9**

**Theme 5 – SFC carbon reduction ..... 10**

Further information..... 11

## Overview

1. The Scottish Funding Council (SFC) published its Net Zero Framework for Action in 2022 and the corresponding Net Zero Delivery Plan runs from 2025 to 2027. This report outlines actions delivered against SFC's Net Zero and Sustainability Framework for Action in FY2025–26.
2. The Framework sets out actions to be taken by SFC to support Scotland's climate emergency response and lead the tertiary education sector to do the same. It outlines how we are delivering against our statutory climate change duties and supporting the sector to do the same.
3. It 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.
4. 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.
5. 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.
6. 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 1

Reach Net Zero by 2045 or sooner

- We published our Carbon Reduction Strategy in January 2026, which sets out the actions SFC will take to reduce our operation emissions.

### Action Point 2

Leadership and Governance.

- SFC's Net Zero and Sustainability Delivery Group, established in 2024-25, was further embedded. This group 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 new statutory climate change guidance for public bodies, and now the final guidance is published we are considering any necessary action to fully implement the guidance.
- We initiated work to evaluate the impact of SFC's Net Zero and Sustainability Framework for Action 2022-27, our overarching Net Zero and Sustainability strategy, in order to inform the next iteration of the Framework which will be developed in 2027.

**Action Point 3**

Communications.

- We ran several well-attended events during Climate Week in September 2025. These included SFC's first Climate Café, a guided nature walk, and all-staff learning sessions about climate related issues.
- We launched a new series of all-staff learning sessions about the climate emergency called Climate Dispatches. These have included external speakers and sessions upskilling staff about key parts of climate strategy and SFC net zero policy.

**Action Point 4**

Impact, assurance, & accountability mechanisms.

- We further embedded net zero into the Outcomes Framework and Assurance Model, including by seeking specific net zero case studies from colleges and universities to support our understanding of how they are currently delivering against the cross-cutting OFAM theme of net zero and sustainability. We will develop guidance for institutions on the cross-cutting measure in 2026-27.
- We developed and implemented a Climate Emergency Impact Assessment for our Strategic Investment and Infrastructure Funding to understand how applicants are contributing to Scotland's climate emergency response.
- We provided around £150k annual funding to EAUC Scotland to support the sector's transition and whole-institutional climate leadership.
- We sponsored the creating impact award at the UK Green Gowns Awards (to celebrate excellent practice in innovation in the tertiary education sector to combat climate change) and participated in several judging panels for the awards.

## 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.
- We hosted an event alongside Scotland Beyond Net Zero to highlight excellent research on climate change, net zero and sustainability and bring together researchers, funders and policy makers. This format will be used as a template for future events about other key national challenges.
- Our Innovation Centres have delivered many net zero projects like IBioIC helping turn [plastic bottles into drugs to treat Parkinson's](#) and BE-ST's newly opened [National Retrofit Centre](#) winning national public sector project of the year at the Energy Savings Awards (2025). This Centre, alongside their Mass Timber Centre of Excellence has created flagship facilities to demonstrate scalable, affordable high performance retrofit and accelerate low-carbon construction innovation using homegrown timber to support Scotland's net zero goals.
- The DataLab has supported Scotland's 32 local authorities through a ['Scottish Climate Intelligence Service'](#) to better tackle emissions from all sources in their area, including transport, residential and public buildings, industry and land use. By fully understanding the data, socioeconomic benefits of climate action like air quality and lower energy costs can be captured.
- [DHI](#) continues to work with NHS partners to bring digital innovations to the health and care service, delivering sustainability benefits by reducing travel through digital innovation, improving self-management in the community and building systems that make better use of data.

- Our funding of Converge led to [Aeroflow](#) winning their Net-Zero prize with patent pending HGV design that reduces aerodynamic drag and improves fuel efficiency by as much as 18%, significantly improving environmental performance of long-haul freight transport.
- Our funding of Interface enabled them to connect [Ureaka Ltd](#) with University of Strathclyde through our Innovation Voucher Programme to develop a circular, cement-free bio-cementation process that permanently mineralises captured CO2 into construction materials.

### Actions Points 9 and 10

Climate Emergency Skills Action Plan,  
Learning for Sustainability.

- We worked to further mainstream learning for sustainability through the Scottish Government's Learning for Sustainability leadership group with other Scottish education public bodies. 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.
- We funded the Energy Skills Partnership with investment of £350,000 to support the energy skills transition in Scotland.
- We provided expertise to Scottish Offshore Wind Energy Council and Scottish Government skills action plan 'Powering Progress Together: Scotland's offshore wind skills priorities and action plan'. We lead on Action 5 of this plan with Universities Scotland across all higher education institutions.
- SFC is involved in the development of both Scotland's Green Freeports to develop skills capacity. We were represented at a Ministerial roundtable on skills at Green Freeports in February 2026.
- SFC continued to support CECA Academy and its expansion across 8 colleges and HMP Perth to supply skills demand for civil engineering sector.
- SFC leads the Ministerial short-life working group on construction skills in colleges, and it was a key contributor to BE-ST and Skills Development Scotland research into construction skills pathways, 'Pathways to Productivity'.

- We are also key partners in the Scottish Hydrogen Skills Group and the Scotland Nuclear Skills Hub and work on developing skills for the green economy with Transport Scotland, NatureScot, LANTRA, the Game & Wildlife Management Skills Group, Scottish Forestry and Forestry & Land Scotland.

## 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 3 reporting in our 2025-26 Annual Report and Accounts.
- We scrutinise all travel claims made to ensure these are compliant with SFC's travel policies and best practice and, in particular, we monitor overseas travel – SFC spent £670 on overseas travel in FY 2025-26.
- We further embedded our work on sustainable procurement within SFC, including a commitment to measure procurement related emissions.
- SFC funds Advanced Procurement for Universities and Colleges (APUC). Sustainable Procurement is one of the core workstreams in APUC, and the principles are embedded throughout the lifecycle of its framework agreements. APUC also has a leading role in developing guidance and providing support for sustainable procurement to its members.
- We are embedding Climate Financial Disclosures in the SFC reporting direction we issue to colleges and, from AY 2025-26, colleges will be expected to comply.

## 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 in 2024, giving us an understanding of the net zero requirements of the college estate. This work informed College Infrastructure Developments throughout 2025, including progress made on the college Scottish Capital Investment Manual and Infrastructure Investment Plan.
- We delivered around £2.5 million to Advanced Procurement for Universities and Colleges to support 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:
  - Creation of climate risk profiles for all Scottish institutions.
  - Production of sector progress report for SFC and other partners on PBCCD emissions reporting data findings and quality of emissions reporting.
- Development of a sector-wide response to key Scottish Government consultations including on new statutory climate change guidance for the public sector, and subsequent creation of sector specific guide to the statutory guidance.

## 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.

- We submitted SFC's Public Bodies Climate Change Duties report on time, with improved data collection. We ran the second SFC commuting habits survey in order to improve data submitted as part of our Public Bodies Climate Change Duties Report in 2025-26.
- 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.
- We published our Carbon Reduction Strategy, which sets out objectives for SFC to drive down its corporate carbon emissions.

## Further information

7. Please contact the SFC Policy Team, email: [policy@sfc.ac.uk](mailto:policy@sfc.ac.uk).