

Net Zero annual report

Action	To note
Purpose	This report provides an overview on our net zero progress.
Decision Trail	SMT approved our net zero target years in 2022.
Recommendation(s)	To note the work of our net zero project.
Annexes	Annex A: Net Zero Working Group (NZWG) - Terms of Reference
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Background

- 1 This paper provides an overview of our net zero progress.
- 2 We have an ambition to become a net zero organisation, which aligns with our corporate strategy and our commitment to being a socially responsible organisation. We have been working with consultants since the end of 2021 to help us on our journey.
- 3 The aim of net zero is to reach the point where the emissions that we emit into the atmosphere are no more than the emissions we take out. It's a balance of these emissions that allow us to say that we are a 'net-zero' organisation.
- 4 The Climate Change Act 2008 sets a legal target for the UK to reach net zero by 2050. Most organisations are aiming for more ambitious targets to allow for a more substantial and quicker impact.
- 5 SMT agreed our net zero target years in 2022: Scopes 1 and 2 – net zero by **2030** and Scope 3 - net zero by **2040**.
- 6 Our baseline year for our target is 2019.

Table 1: Description of Scopes 1,2 and 3

Scope	Description
1	This includes direct emissions from sources owned or under our control such as gas for the boilers in our buildings.
2	This includes indirect emissions from the generation of our purchased electricity.
3	This includes those emissions outside of our ownership or control such as procurement and supply chain, commuting, business travel and waste management. We are also including homeworking emissions in our approach which fall under Scope 3.

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Our emissions

- 7 We measure our carbon emissions using the Greenhouse Gas Protocol methodology (GHG Protocol) which is a widely used international standard for reporting emissions.
- 8 We collect and record data across a variety of areas which enables us to calculate our carbon emissions e.g. electricity and gas consumption, waste reports, business travel data, procurement spend.
- 9 Our emissions from 2019 through to 2025 are shown below:

Table 2: Our total carbon emissions

Year	TOTAL (tCO ₂ e)
2019	9671
2020	7082
2021	7750
2022	8546
2023	7320
2024	7460
2025	6694

- 10 Emissions are measured in tonnes of carbon dioxide equivalent (tCO₂e) which includes all greenhouse gases.
- 11 There has been an 10% decrease in our emissions between 2024 and 2025 of 766 tonnes mainly due to reductions in our procurement and business travel emissions (Scope 3). We have also seen decreases in our gas (Scope 1) and electricity emissions (Scope 2). Further details about how we can reduce emissions further is included in this report.
- 12 Emissions were lower in 2020 and 2021 because of the impact of Covid on 'business-as-usual' activities.

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Scopes 1 and 2

Table 2: Scope 1 and 2 emissions (using the market-based approach)

Year	Scope 1	Scope 2	TOTALS (tCO ₂ e)
	Fossil fuel emissions*	Electricity emissions – market-based approach	
2019	268	288	556
2020	220	113	333
2021	240	102	342
2022	225	95	320
2023	192	92	284
2024	158	82	240
2025	134	21	155

*Approximated data

13 We aim to be net zero for our Scopes 1 and 2 emissions by 2030.

Scope 1

14 Scope 1 relates mainly to our gas consumption in our buildings. As we cannot obtain GMC-specific figures, we take building-wide data for each of our sites and use approximations based on office space. There was a decrease in our Scope 1 emissions between 2024 and 2025 as consumption across our buildings was lower in 2025 – continuing the downward trend in recent years.

15 We have limited control over our gas systems as these are managed at building level. However, overall consumption has reduced in recent years. As part of the lease negotiations at SJB, we replaced the air conditioning system which removed the need to use gas radiators for heating purposes. Landlords at other sites e.g., 3HS, have carried out work to significantly reduce consumption also.

16 Other Scope 1 emissions sources are the fuel used in our generator and 'F-gases' used in air conditioning systems. Both have an insignificant impact on our overall Scope 1 emissions, contributing less than 1 tonne.

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Scope 2

- 17** Scope 2 relates to our electricity consumption across our offices. The GHG protocol prescribes two distinct methodologies to calculate emissions from electricity: **market-based** and **location-based**.
- 18** The **market-based approach** reflects decisions made by consumers (or in our case for some of our sites, landlords) to purchase renewable electricity i.e. these tariffs have zero emissions. In 2025, we switched to renewable tariffs at an additional three sites meaning that all our offices now use renewable electricity tariffs.
- 19** The **location-based approach** reflects emissions intensity on grids where electricity consumption occurs and does not take into account decisions made by organisations to purchase renewable electricity i.e. only consumption levels are taken into account.
- 20** For our net zero target of 2030, we will be using a **market-based approach** for our Scope 2 emissions. This was decided by the Net Zero Working Group in 2024. There are limitations to what we can do under a location-based approach as we do not own our buildings i.e., we cannot generate our own electricity on site, so a market-based approach is more achievable for us.
- 21** We report our Scope 2 emissions using each method as its best practice to show both sets of figures to reflect our progress in reducing actual consumption.

Table 3: Scope 2 emissions – dual reporting

Scope 2		
Year	Electricity emissions – location-based approach	Electricity emissions – market-based approach
2019	593	288
2020	499	113
2021	444	102
2022	428	95
2023	420	92
2024	378	82
2025	315	21

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- 22** Our market-based net zero target only reflects use of renewable tariffs. However, it is still important to reduce our actual consumption of electricity. That way, we can be confident that we are not taking 'short cuts' to net zero and can prove that we are taking active steps to reduce our impact. There are also financial benefits to reducing consumption.
- 23** Our Facilities Projects team have completed works that have reduced our on-site electricity consumption in recent years, such as the installation of LED lighting and replacement of air conditioning units and UPS units, etc. The reconfiguration of the air conditioning system in our 3HS data centre which took place earlier this year should result in a reduction in electricity consumption. Part of a credible net zero plan is to demonstrate steps taken to decrease consumption (and therefore emissions) and these projects will help us to do that. Lease renewals with existing landlords have resulted in building efficiencies such as agreeing to install secondary glazing at St James' Building in previous years. This will help us to make more efficient use of heating.
- 24** As of April 2025, we switched to a renewable electricity tariff at St James Building. We also switched to renewable electricity tariffs in our Belfast and Edinburgh offices earlier that year. This resulted in the decrease we saw in our 2025 Scope 2 market-based emissions – from 82 to 21 tonnes.

Scope 3**Table 4: Scope 3 emissions**

Scope 3								
Year	Procurement	Business travel emissions	Staff commuting emissions	Homeworking emissions	Well-to-tank emissions (market-based)	Waste emissions*	Water emissions*	TOTALS (tCO ₂ e)
2019	6497	727	1,215*	186*	484	3	2	9115
2020	5835	166	35*	636*	76	2	1	6750
2021	6480	135	35*	661*	96	1	0	7408
2022	5963	280	1,123*	460*	395	3	1	8226
2023	5981	469	195	223	162	4	2	7036
2024	6208	418	221	212	156	3	2	7221
2025	5610	312	245	236	134	1	2	6540

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* Approximated or assumed data. All figures rounded to nearest whole number.

- 25 We aim to be net zero for our Scope 3 emissions by 2040. By definition under the GHG Protocol, these are emissions that we have less control over.
- 26 **Procurement and supply chain** is our largest area of emissions and one of our most challenging to reduce. As per the GHG Protocol, we are using a 'spend-based' method to calculate our emissions in this area which only considers 'how much' is spent, rather than 'how' it is spent. Our spend is categorised into SIC (Standard Industrial Classification) codes which have different emission factors tied to them. There was a decrease in emissions tied to our procurement and supply chain in 2025. Our spending was higher than the previous year but an increased value of this was in lower-emission categories than in previous years.
- 27 The methodology is expected to change before the end of the decade which should help organisations with calculating a more accurate emissions picture.
- 28 We acknowledge that the methodology is limited so to demonstrate that we are taking some form of action here, we developed a supplier sustainability survey. This is distributed annually to our top 30 suppliers by spend. This will not reduce our emissions, but it does allow us to internally benchmark the sustainability performance of our top suppliers by assessing if they have net zero targets or policies, etc.
- 29 **Business travel emissions** decreased in 2025 compared to 2024 levels. The largest contributor to these is our hotel stays (45%), followed by our rail travel (31%) and air (15%). Car travel contributes the least (9%). It's worth noting that this reduction was by chance, not by any active action taken due to other priorities at present. We developed a green travel plan in 2025 which can help us to consider how we can reduce these emissions i.e. reviewing expense policies, consideration of in-person and virtual meetings, etc.
- 30 We saw an increase in our **staff commuting** and **homeworking** emissions last year, reflecting results from our annual survey.
- 31 Our emissions in these areas significantly decreased in 2023 due to a change in our methodology. In previous years, our data was based on assumptions. We distributed our first travel and homeworking survey in 2023 which better informs us of how we are actually commuting to our offices and our impact at home. We distributed this in the following years and our emissions here are reflective of real results obtained from the survey. We received 817 responses in 2025.
- 32 We acknowledge that we cannot control how colleagues commute to the office or their impact at home. However, our Green Travel Plan can help us to consider if there are any actions we can take to encourage more sustainable ways of travel. Our current position is good i.e. public transport is the main method of commuting, but we will explore other actions in due course.

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- 33** Homeworking is out of the GHG Protocol scope, but we are including this so that we have a transparent and credible approach to our total emissions picture. Actions concerning homeworking are centred around an informing and educating approach. For example, we could provide information on how to decarbonise homes and provide opportunities for colleagues to share best practice tips for reducing consumption and living 'green'. Other organisations offer renewable energy tariff discounts with electricity companies which is something we will explore in the future.
- 34** **Well-to-tank emissions** are those associated with business travel, commuting and electricity consumption. They relate to the processing and delivery of fuel up to the point of use. Well-to-tank emissions will decrease if there are reductions in these three areas. They cannot be directly targeted.
- 35** **Waste emissions** have a minimal impact on our overall total. However, it is an area of high visibility, and we will be looking at ways in which we can improve our processes going forward.
- 36** We have made some progress in this area by adopting circular office principles in some areas. For example, we continue to donate old laptops and phones to multiple charities via BITC (Business in the Community) which reduces our electrical waste. We have also reused and refurbished furniture when carrying out office refits which also saves on costs.
- 37** **Water emissions** also have a minimal impact on our overall total. There are no specific actions for us to take in this area as water is used for drinking and hygiene. However, the Billi taps we have on site help to stop wastewater as they can't be accidentally left running.
- 38** Our investment emissions are not included in our net zero targets, but we hope to account for these in future so that we align to the Greenhouse Gas Protocol as best we can. We are 100% reliant on our investment managers for this information and we only receive partial data from them at present. This led to the decision by the Net Zero Working Group to exclude this category in our net zero targets at this stage. However, we will review this position as data improves. It should be noted that this information is strictly related to the emissions of our investee companies, not where or how we invest, which is overseen by the Investment Committee.

Our net zero plan

- 39** The aim of our net zero plan is to reduce our emissions to as low a level as possible before offsetting any residual emissions.
- 40** Our plan sets out actions under 8 different themes: Estates and Facilities, Procurement and Supply Chain, Waste Management, Culture and Community, Homeworking, Travel and Transport, Adaptation and Food and Nutrition.

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- 41 Our Net Zero Working Group oversaw this work from 2022 to 2025 and was chaired by Neil Roberts, Director of Resources. From 2026, the Group was assimilated into the new Sustainability and Social Responsibility Working Group, chaired by Paul Reynolds, Director of Strategic Communications and Engagement. It is this Group that is responsible for the progress of the net zero plan. Colleagues from Facilities, Procurement, IS, Education and Standards, Safeguarding, People Team and Comms amongst others are represented. The 'Terms of Reference' for the group are being updated and will be included in next year's report.
- 42 Our Green Group is a forum for all staff to get involved in our environmental work, with particular emphasis on action at departmental level. The Group helps with awareness and engagement and is a vital part of the 'Culture and Community' section of our net zero plan.
- 43 Our plan is available on the intranet and on [our external website](#).
- 44 We have an Environmental Management System which aligns with and helps to support our net zero work. This identifies our activities which have an impact on the environment and helps us to look for ways in which we can reduce it. As part of this, we have a Compliance Register which outlines our environmental legal duties.
- 45 We are in contact with other regulators and associated bodies i.e. Greener NHS, about our net zero work via the cross-regulatory CSR group, led by Satinder Kaur, Assistant Director - Facilities. We have shared our experience with others to help them on their net zero journey.
- 46 Some net zero information is now included in the CSR section of the Annual Report as of 2025. We will also be communicating our 2025 emissions out to the business later this year.

Offsetting

- 47 The cost of offsetting is priced 'per tonne'. What is important to note is that the price of offsetting could change in the coming years based on various factors such as confidence in the offset market and whether legislation is introduced to require their purchase.
- 48 There are different types of offsetting available at present. Different offsetting projects have different costs. Offsetting projects focus on lowering or removing emissions such as forestation, investment in carbon-capture technologies or renewable energy and environmental projects in various areas of the world.
- 49 Based on current information, the cost of offsetting could vary greatly by 2030. The cost could range from a relatively low £15-20 per tonne, to as high as £150 per tonne – and anything in-between depending on developments or regulation in the offsetting field.
- 50 Our first net zero target is 2030 for Scopes 1 and 2. We will offset our emissions for both of these Scopes, using the market-based approach to calculate our emissions for Scope 2. Based

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on our current emission figures and current information about the potential cost of offsetting, this could be between £3,000 to £23,500 annually.

Next steps

- 51** We will continue to collect data which allows us to calculate our emissions annually and make improvements to this data, where possible. The reduction in our commuting and homeworking emissions in 2023 highlights the value of obtaining better data.
- 52** The Sustainability and Social Responsibility Working Group will continue to be responsible for progressing with the organisation's net zero carbon plan. Actions are assigned to relevant departments and progress on these will be coordinated by the Compliance Team.
- 53** We are in the process of reviewing our net zero plan and will publish an updated version later this year to reflect where we are currently.
- 54** We will forecast our offsetting costs annually and monitor any developments in this field that could affect these.
- 55** We launched our Green Travel Plan later in 2025 which helps us to consider actions we can take to reduce our business travel and commuting emissions. This is an area that requires further attention once large projects such as the implementation of the new ERP system are complete and resources become available as we cannot currently say we are actively taking steps to reduce these.
- 56** We will continue to review the net zero risk register and put in place any further necessary mitigation.
- 57** We conduct an annual review of our Environmental Management System and all associated documentation.
- 58** We will continue to share knowledge and information with other regulators to extend our influence.

Annex A

Net Zero Working Group (NZWG) - Terms of Reference

Introduction

- 1 The purpose of this document is to formalise the roles and responsibilities of the Net Zero Working Group (NZWG).

Background and wider context

- 2 The GMC acknowledges that we have an impact on the environment through our activities as an organisation. This is reflected in our Corporate Strategy which states that we aim to be a socially responsible organisation and strive to carry out our work in a way that benefits the environment and society as whole.
- 3 To help us achieve these aims, we have established an Environmental Management System which is aligned to ISO standard 14001 and provides the base for all our environmental work. Alongside this, we have set an ambition to become a net zero carbon organisation.
- 4 The Climate Change Act 2008 sets a legal aim for the UK to be net zero by 2050 but organisations are being more ambitious so that a significant impact can be made. The NHS have set a target of 2040 for those emissions they control directly (Scopes 1 and 2) and 2045 for those they can influence (Scope 3).
- 5 There is a reputational risk for the GMC if we do not act on environmental issues in a timely manner and this could have impact on our reputation as both an employer and regulator.

Net Zero

- 6 The GMC's net zero plan sets out how we will achieve this, detailing actions that fall within the various themes:
 - Estates and Facilities
 - Waste management
 - Procurement and Supply Chain

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- Travel and Transport
- Culture and Community
- Homeworking
- Food and Nutrition
- Adaptation.

7 SMT have agreed to the following target dates:

- Scopes 1 and 2 to achieve net zero by 2030.
- Scope 3 to achieve net zero by 2040.

Responsibilities

8 The NZWG is responsible for progressing with the organisation's net zero carbon plan.

Actions are assigned to relevant departments and progress on these will be coordinated by the Compliance Team. Updates will be provided to the Group if and when necessary.

9 The Group also acts as a forum for any decision-making that will need to take place in relation to the plan.

10 There is scope to include discussion on our other environmental-related areas such as our environmental management system or links to our overall CSR work.

11 The NZWG's progress is regularly discussed with:

- The Green Group: a staff led network that aims to promote awareness and engagement internally.
- The CSR Community of Interest: a group that supports the organisation with its central view of CSR related activities across the business.
- The Sustainability Oversight Group: this Group takes a central view of sustainability related activities across the business.

12 The NZWG is accountable to the Executive Board and the Resources Director will refer matters if necessary. The Executive Board comprises of the Chief Executive, all Directors, and representative Assistant Directors.

13 As this is a new and emerging field for many businesses, it's important that we remain flexible in our approach as we move forward. This may involve responding to changing legislation or adapting the scope and by extension, the Terms of Reference of the Working Group.

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- 14** The NZWG recognises that effective environmental management is not a one-off exercise but a continual process.

Members and roles

- 15** The NZWG includes representatives from those business areas who are responsible for the different elements of the net zero plan. The roles of members in the NZWG are as follows:
- The Director of Resources is the sponsor and Chair for the Group and its work.
 - The Environmental and Compliance Manager is the lead and responsible for managing the net zero plan and other environmental work at the GMC.
 - The Head of Compliance oversees this work and acts as the deputy lead.
 - The AD of Facilities is responsible for sign off at significant milestones.
 - The Compliance Officer ensures that administrative paperwork is completed and updates on actions are obtained.
 - Facilities Managers are responsible for projects relating to the plan alongside relevant operational processes such as waste management. This includes contract managers for relevant suppliers such as catering, stationery, etc.
 - Procurement Managers are responsible for supply chain related work and procurement processes.
 - IS are responsible for any actions that relate to IS kit or services.
 - The People Team are responsible for all People related actions such as training input and policies. The Head of Pensions and Employee benefits is responsible for our suite of benefits and the Head of Resourcing is responsible for embedding sustainability in our job roles.
 - Comms have a vital role to play in offering support and expertise in areas of messaging, updates and engagement.
 - Environmental Champions from the Green Group will represent the workforce at the Working Group and be there to ensure that staff remain engaged.

Meetings

- 16** The group meets quarterly and the Environmental and Compliance Manager will ensure that all necessary paperwork is circulated.

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- 17** We will continually monitor the content and relevance of this meeting and will regularly request feedback from the group.

Scope

- 18** The Group's focus is on our internal operations and delivery of the organisation's net zero plan. The following areas are out of scope for the Group:
- *Decisions around ethical/sustainable investment processes and policies.* This is overseen by the Investment Committee. However, the emissions associated with these investments are within scope for the NZWG as these directly relate to 'net zero'.
 - *Our position on sustainability as a regulator, exploring how we can use our influence externally.* The Sustainability Oversight Group oversee this.