

NS&I

Embracing corporate social responsibility

Our performance and our aspirations

2013-14

About this report

This document fulfils two purposes:

- It is our end of year report on our performance against the NS&I Carbon Management Plan which we introduced during the year 2011-12. In 2013-14, we updated the Carbon Management Plan to reflect changes in the business.
- It is our fourth report detailing progress of the implementation of our Corporate Social Responsibility (CSR) policy and measuring our performance.

At NS&I, we see sustainability as an essential part of what makes us an efficient and responsible business and we recognise the need to adapt to climate change. We have made continued progress towards our medium-term carbon reduction plan this year, under which we already exceed government sustainability targets. During 2013-14, we revised our corporate risk governance approach resulting in the People and CSR Risk policy being separated into two policies: a) People Management Risk Policy; and b) Workplace and CSR Risk Policy.

The carbon reduction plan, developed with the support of the Carbon Trust, sets out how against the 2009-10 baseline, we will reduce our carbon emissions by over 7,000 tonnes a year from the end of March 2015. This equates to over 50% of our emissions, significantly ahead of both our own initial target and those set centrally by government. The plan was developed as part of our participation in the pilot of the carbon management programme for central government supported by the Carbon Trust, which seeks to reduce carbon emissions across government. NS&I was one of 20 central government organisations that chose to participate in the programme.

The report sets out our performance during 2013-14 against the commitments from our Carbon Management Plan. It indicates our CSR targets for 2014-15 and shows the 2009-10 baseline data which we measure our performance against.

The baseline emissions and subsequent years' emissions calculations have been made using the Carbon Trust's tools which were derived from the DEFRA/DECC2009 GHG conversion factors for company reporting.

The full CSR policy can be found at nsandi.com

Performance against our targets 2013-14

Sustainability is at the heart of our business strategy, and we take our commitment to sustainable business practice and governance seriously. Since the publication of our sustainable development policy in 2006-07, we have produced an annual sustainable development action plan which has focused on five key areas:

- using resources efficiently
- reducing carbon emissions
- supporting our community
- involving people; and
- leading by example.

In all our areas, we have sought to use measurable targets and have seen good progress against these. In particular, we have adopted Sustainable Operations on the Government Estate (SOGE) targets to provide a consistent means of assessing our performance in areas such as waste management and recycling. However, due to a number of factors, we were previously unable to measure performance against SOGE targets fully.

During 2009-10, we conducted a thorough review of the way we collect and calculate our carbon footprint and other environmental indicators. As a result, we now have baseline figures (2009-10) for the whole estate – that is, our head office and the sites operated by our delivery partner Atos – whereas previously we only had data for the space operated and managed by NS&I.

NS&I and Atos have committed to work in partnership to help monitor and measure the environmental aspects of their operations and drive improvements in environmental performance across the whole business in line with SOGE targets. To further cement this commitment we also signed up to the pilot scheme for Carbon Management in Central Government which has resulted in our Carbon Management Plan which sets out our vision and plans to be a low carbon business with specific goals to be achieved by the end of March 2015.

The tables below show relevant figures for 2013-14, as well as the previous three years where we have them. The narrative below each table provides additional background information and highlights where we have been able to meet specific government sustainability targets.

Energy consumption

NS&I ENERGY CONSUMPTION		2009-10	2010-11	2011-12	2012-13	2013-14	SOGE target
Non-Financial Indicators (kWh)	Electricity (non-renewable)	13,395,736	14,527,766	13,958,602	12,957,839	10,788,958	Increase energy efficiency per m2 by 30% by 2020, relative to 1999-2000 levels
	Electricity (renewable)	0	0	0	0	3,030,348	Increase proportion of energy sourced from renewables
	Gas	14,533,749	14,734,218	13,844,863	14,133,671	11,738,113	Increase energy efficiency per m2 by 30% by 2020
	LPG (Liquid petroleum gas)	0	0	0	0	0	
	Other	0	0	0	0	0	
Financial Indicators (£k)	London Operational Sites	78 1,749	63.4 Not available	65.9 1,540	67.0 1,759	74 2,101	
	Total energy expenditure	1,827	Not available	1606	1826	2,175	

In 2009-10, NS&I focused on establishing a robust baseline from which it can accurately measure improvements and progress towards the SOGE targets across the whole business.

The baseline data needed to provide a meaningful measure of the energy efficiency of the whole NS&I estate has not previously been available.

The electricity consumption for the 2013-14 financial year saw a 7% increase across the estate against the 2012-13 levels and a 3% increase against the 2009-10 levels. This was as a result of both Blackpool and Glasgow having two sites whilst the moves from the old buildings to the new ones were completed. The gas consumption for the financial year saw a 17% decrease across the estate against the 2012-13 levels and a 19.11% reduction against the 2009-10 levels.

Overall, we saw a 5.6% decrease in total energy consumption across the estate against the 2012-13 levels and an 8.4% reduction against the 2009-10 levels, all helped by a mild winter compared to the previous three years.

CO2 emissions

NS&I EMISSIONS		2009-10	2010-11	2011-12	2012-13	2013-14	SOGE target
Non-Financial Indicators (tCO2)	Total emissions direct (gas and diesel)	2,674	2,735	2,542	2,618	2,164	
	Total emissions indirect (electricity)	9,114	8,463	7,229	6,743	4,806	
	TOTAL EMISSIONS	11,788	11,198	9,772	9,361	6,970	Reduce carbon emissions by 20% by end March 2015 and 30% by 2020, relative to 1999-2000
Financial Indicators (Cost of CO2 as per Carbon Management Plan) (£k)		2,065	1,953	1,724	1,826	N/A	

Overall, our CO2 emissions from energy consumption reduced by 40% against the 2009-10 baseline year and reduced by 25% against 2012-13. Our direct emissions from burning natural gas for heating represent a relatively small proportion of our total carbon emissions. The indirect emissions associated with the use of electricity have historically, made up the vast proportion of our energy carbon emissions. At Blackpool we are installing around 100 solar panels on our Moorland Building. This project was not part of our original Carbon Management Plan. It is expected to generate 125,000-135,000 kilowatts of solar energy a year, which will help reduce our electricity costs by £10,000-£12,000 a year. With additional revenues from the Feed-in Tariff, payback is projected within eight to nine years and the carbon reduction benefits have already been seen in the first four months.

NS&I and Atos have not been able to monitor emissions associated with business travel for 2013-14 due to changes in travel management practices. In percentage terms these are not a significant element of our footprint (less than 5%). They are reported at the end of this report for the previous years where available.

Having established a robust baseline (2009-10) we can now accurately measure improvements and progress towards the SOGE targets. Within the Carbon Management Plan, we detail the projects and initiatives that will make the difference as we strive towards our March 2015 goals.

It is important to note that, under the Carbon Reduction Energy Efficiency Scheme, Atos is accountable for the operational emissions from the three main offices in Blackpool, Durham and Glasgow.

Waste and recycling

NS&I WASTE		2009-10	2010-11	2011-12	2012-13	2013-14	SOGE target
Non-Financial Indicators (t)	Total waste	1,139	1,072	997	646	1,378	Reduce waste arising by 25% by 2020, relative to 2004/05
	Total hazardous waste	5	6	0	0	4	
	Non-hazardous waste to landfill	290	341	315	148	133	
	Non-hazardous waste reused/recycled	843	726	682	498	1,242	Increase recycling to 75% of waste arising by 2020
Financial Indicators (£k)	Disposal cost London Head Office	14	Not available	Not available	Not available	Not available	
	Operational Sites	118					
	Total	132					
	Total hazardous waste disposal cost	Not available	Not available	Not available	Not available	Not available	
	Non-hazardous waste to landfill disposal cost	Not available	Not available	Not available	Not available	Not available	
	Non-hazardous waste reused/recycled cost	Not available	Not available	Not available	Not available	Not available	

Waste recycling

The 2013-14 recycling figures for the four NS&I sites have improved considerably from previous years and now range from 79% to 100%, with an overall total of 90%. This is above the SOGE target level of 75% by 2020.

Waste arising

All three operational sites had a major review of space and filing in readiness for moves in Glasgow and longer term at Durham. In addition, the London office was reorganised resulting in an increase in waste arising. Overall waste arising from all four sites increased by 113% against last year and by 21% against the 2009-10 baseline. Over the last four years the total waste arising has reduced by 38% compared to the level of the 2009-10 baseline year.

Water consumption

NS&I WATER CONSUMPTION		2009-10	2010-11	2011-12	2012-13	2013-14	SOGE target
Non-Financial Indicators (m3)	Water consumption – supplied	60,635	46,869	45115	41098	26515	Reduce water consumption by 25% by 2020 relative to 2004/05
Financial Indicators (£k)	Water supply costs London Operations	Not available 264	Not available	0.474 246.4	2.5 261.7	3.0 135.3	
	TOTAL	Not available		246.9	264.2	138.3	

The main use of water within NS&I is to supply water for domestic needs (washroom facilities, kitchens etc). In 2009-10, NS&I focused on establishing an accurate baseline from which it can measure improvements and progress towards the SOGE targets. It should also be noted that both London and Blackpool have air conditioning systems which do add to the water consumption. The London Office utility data is all calculated on an apportionment of the overall bill for the building basis.

Overall our water consumption across the estate reduced by 35% against the previous financial year and by 56% against the 2009-10 baseline year.

Comparing our sites

The following table shows the environmental performance of our different sites in 2013-14 (**in bold**) compared to the previous three years.

Location	Energy (MwH converted to CO2 tonnes)	Water (cubic metres)	Waste arising (tonnes)	Recycling (%)
Blackpool 09-10	2,839	30,197	191	71
10-11	3,796	21,376	227	48
11-12	3,232	16,318	157	46
12-13	3,010	17,641	125	57
13-14	2,091	9,350	159	79
Durham 09-10	3,451	12,346	482	66
10-11	3,616	13,459	529	70
11-12	3,300	19,576	379	59
12-13	3,430	13,360	261	76
13-14	2,692	10,772	297	86
Glasgow 09-10	2,249	14,308	395	85
10-11	2,852	10,958	251	79
11-12	2,476	9,162	416	84
12-13	1,628	8,877	229	86
13-14	1,914	5,092	884	93
London 09-10	355	3,784	71	73
10-11	366	1,076	65	86
11-12	300	59	45	85
12-13	315	1,220	31	100
13-14	273	1,301	38	100

Total carbon emissions reduction

TOTAL tonnes CO2	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	Percent change against previous year	Percent change against baseline year
Energy	8,894	10,630	9,308	9,361	6,969.91	25% decrease	37% decrease
Transport	573	504	446	Not available	Not available	Not available	Not available
Water	20.62	15.94	15.34	14.14	9.12	35% decrease	56% decrease *
Waste	51.1	47.9	2.23	53.26	38.59	27% decrease *	24% increase *
TOTAL	9,521	11,184	9,772	9,428	7,018	Excluding travel 25% reduction	Excluding travel 21% reduction

**NOTE: Adjustments in CO2 emissions factors for previous years present a change in the Water and Waste emissions data resulting in the variances shown.*

To compare performance between 2013-14 and previous years, the CO2e emissions for travel has been discounted from the calculation. The performance in 2013-14 for total carbon emissions shows a 25% reduction on the previous year and a 21% reduction against the baseline year. The main reason for the big reduction is the change in energy emissions, in particular the introduction of renewable energy has had a significant impact and will continue to do so. The overall trend in consumption is on track with our plans in the Carbon Management Plan and the bonus of renewable energy sources will accelerate our progress on CO2e. The overall emissions target in our Carbon Management Plan for 2013-14 was 9,272 tonnes CO2.

Key achievements in 2013-14

In addition to the quantitative measures above, NS&I has continued to introduce more sustainable ways of working across our operations. During 2013-14, we:

- maintained our commitment and delivery against the Sustainable Mail™ environmental standards for direct mail. The standards cover not only the materials used in mailings – which should be environmentally friendly and recyclable – but also avoiding waste by improving data. By achieving the standards, we are able to carry out mailings at a lower price tariff – creating valuable savings.
- continued our work with our operational delivery partner, Atos, on sustainability measurement and performance through our commitment to the Central Government Carbon Management Programme.
- retained ISO14001 accreditation for our environmental management systems for the London office.
- participated in the fifth year of the civil service-wide staff engagement survey. NS&I had an overall employee engagement index of 66% (compared to 69% in 2009-10, 68% in 2010-11, 71% in 2011-12 and 68% in 2012-13). This remains a high figure against Civil Service and industry benchmarks, and we were pleased to be positioned well above both the Civil Service average and the High Performance benchmark.
- refreshed our risk governance framework for the whole business. Our CSR activities now fall under the Workplace and CSR Risk Policy. The NS&I Executive Committee is the governance body for the Workplace and CSR Risk Policy.
- engaged the NS&I Social Committee and CSR Champions to organise various events including quiz nights, a family fun day, Christmas Fair and raffles; to raise funds for our corporate charity – Sebastian’s Action Trust – and raised more than £2,500.
- asked our staff to vote for our corporate charity for the next two years and we successfully launched our relationship with Macmillan Cancer Support and we aim to raise a total of £6,000 over two years for this worthy cause.
- The considerable improvement in recycling at our operational sites is testament to the work of the Green Champions within Atos who have promoted positive recycling behaviours across the operations.

Our CSR policy and targets for 2014-15

We believe our CSR Policy reflects the broader impact we have on customers, communities and our people and how, through our core purpose and activities, we can work towards important social and environmental goals.

While many aspects of the CSR policy are not measurable in a quantitative way, we will seek to adopt measurable performance targets wherever possible, including specific actions and aims for the year. These will form a key element of the 2014-15 CSR plan.

We will focus specifically on the SOGE targets to:

- reduce carbon emissions
- increase energy efficiency in the newer buildings
- increase the proportion of energy from renewable sources
- reduce water consumption
- reduce waste arising
- increase the proportion of waste that can be recycled.

We use the figures from 2009-10 as our baseline for assessing progress. Our CSR performance will be audited independently by KPMG.

CO2 emissions

NS&I GREENHOUSE GAS EMISSIONS		2009-10 (actual)	2010-11 (actual)	2011-12 (actual)	2012-13 (actual)	2013-14 (actual)	2014-15	2014-15 (target)
Non-Financial Indicators (tCO2e)	Total gross emissions	11,770	11,184	10,137	Target 10,802 Actual 9,428 13% better than target	Target 10,331 Actual 7018 32% better than target	Target 8,867	To reduce our total gross emissions by 20% from 2009-10 baseline
	Gross emissions attributable to official business travel	573	504	446 9% better than target	Target 540 Change of supplier means actuals not available	Target 516 Change of supplier means actuals not available	Not available	To reduce our total gross emissions by 20% from 2009-10 baseline
Financial Indicators (£k)	CRC gross expenditure (2010 onwards)	0	To be agreed	To be agreed	0	0	0	To be agreed
	Expenditure on accredited offsets (eg GCOF)	0	0	To be agreed	0	0	0	To be agreed
	Expenditure on official business travel	Not applicable	To be agreed	To be agreed	To be agreed	To be agreed	To be agreed	To be agreed

NOTE adjustments made to the targets for 2012-13 to bring in line with the agreed and published Carbon Management Plan

NS&I has, for the past three years, had difficulty in accurately monitoring emissions associated with business travel. We now have a new supplier of travel management facilities and accurate reporting of these emissions will be possible in 2014-15. Overall travel emissions historically represent a maximum of 5% of our total carbon footprint. It is appropriate to include them in our Carbon Plan and overall carbon emissions target.

Waste and recycling

NS&I WASTE		2009-10 (actual)	2010-11 (actual)	2011-12 (actual)	2012-13 (actual)	2013-14 (actual)	2014-15 (target)	Headline target
Non-Financial Indicators (t)	Total waste	1139	1,072	996 5% better than target	647 39% better than target	Target 962 Actual 1,378	866	To reduce waste by 10%
	Total hazardous waste	5	6	0	0 5 tonnes better than target	Target 4.5 Actual 3.55	4	To reduce waste by 10%
	Non-hazardous waste to landfill	290	341	315 Over target	148 46% better than target	Target 246 Actual 133	220	To reduce waste by 10%
	Non-hazardous waste reused/recycled	843	726	682 13% better than target	498 38% better than target with 77% recycled	Target 722 with 75% recycled Actual 1,242 with 90% recycled	650 With 75% recycled	75% of waste arising to be recycled
Financial Indicators (£k)	Disposal cost London Head Office	14	To be agreed	To be agreed	To be agreed	To be agreed	To be agreed	To be agreed
	Operational Sites	118						
	TOTAL	132						
	Total hazardous waste disposal cost	Not available	To be agreed	To be agreed	To be agreed	To be agreed	To be agreed	To be agreed
	Non-hazardous waste to landfill disposal cost	Not available	To be agreed	To be agreed	To be agreed	To be agreed	To be agreed	To be agreed
	Non-hazardous waste reused/recycled cost	Not available	To be agreed	To be agreed	To be agreed	To be agreed	To be agreed	To be agreed

Water consumption

NS&I WATER CONSUMPTION		2009-10	2010-11 (actual)	2011-12 (actual)	2012-13 (actual)	2013-14 (actual)	2014-15 (target)
Non-Financial Indicators (m3)	Water consumption – supplied	60,635	46,849	45,115	45,000 41098 9% better than target	Target 43,787 Actual 26,515 39% better than target	25,700
Financial Indicators (£k)	Water supply costs London Head Office	Not available	To be agreed	To be agreed	2.5	3.1	Target 3% reduction in spend on previous year.
	Operational Sites	264			259.2	135.2	
	TOTAL	Not available			261.7	138.3 Target was 3% reduction in spend on previous year. Actual reduction was 47%	

Energy consumption

NS&I ENERGY CONSUMPTION		2009-10	2010-11 (actual)	2011-12 (actual)	2012-13 (actual)	2013-14 (actual)	2014-15 (target)
Non-Financial Indicators (kWh)	Electricity (non-renewable)	13,395,736	14,527,766	13,958,602 Over target	12,957,839	Target 11,252,418 Actual 10,788,958	Target 1,500,000
	Electricity (renewable)	0	0	0	0	No target set Actual 3,030,348	Target 11,252,400
	Gas	14,533,749	14,734,218	13,844,863 5% reduction on baseline	14,133,671	Target 12,208,349 Actual 11,738,113	Target 11,500,000
	LPG	0	0	0	0	Target 0 Actual 0	Target 0
	Other	0	0	0	0	Target 0 Actual 0	Target 0
Financial Indicators (£k)	Energy expenditure London Head Office	78	To be agreed	Actuals	Actuals	Actuals 74	To be agreed
	Operational Sites	1,749				2101	
	TOTAL	1,827		1540	1826	2175	

In addition to the SOGE targets, we have set ourselves the following goals for 2014-15. We will:

- continue to support various charities both through fundraising events and giving our people volunteering opportunities, and also by maintaining our Gold Award standard for Payroll Giving. The charity chosen by staff for 2014-15 is Macmillan Cancer Support and we aim to raise £6,000 over 2 years.
- continue to expand the boundaries of our CSR policy, seeking more ways to measure performance and investigating how we can cover a wider range of activities.
- develop targets to meet our remit within the following key areas:
 - our estate
 - working with others
 - our people.

NOTE: The baseline emissions and subsequent years' emissions calculations have been made using the Carbon Trust's tools which were derived from the DEFRA/DECC2009 GHG conversion factors for company reporting.

About NS&I

NS&I (National Savings and Investments) is one of the largest savings organisations in the UK with more than £100 billion invested on behalf of over 25 million customers. NS&I is both a government department and an Executive Agency of the Chancellor of the Exchequer.

When customers invest in NS&I products, they are lending to the Government. In return the Government pays interest, stock market linked returns or prizes for Premium Bonds. NS&I offers 100% security on all deposits.

Our vision

Service, Value and Trust.

Our mission

To help reduce the cost to the taxpayer of government borrowing now and in the future.

Our values

Our values are at the heart of everything we do:

- **Security:** we offer 100% security, backed by HM Treasury
- **Integrity:** we are honest and responsible in everything that we do and say
- **Straightforwardness:** we always use clear, everyday language that is easy to understand
- **Delivered with a human touch, pace and confidence:** we treat our customers as individuals, recognise their needs and act on their behalf decisively and professionally

Our operating framework

To balance the interest of our savers by offering a fair rate; the taxpayer by delivering long-term cost-effective finance; and the stability of the broader financial services sector by acting transparently and maintaining an appropriate competitive position.

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