

NS&I

Embracing corporate social responsibility

Our performance and our aspirations

2014-15

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 fifth 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.

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 2014-15 against the commitments from our Carbon Management Plan. It indicates our CSR targets for 2015-16 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 2014-15

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.

The tables below show relevant figures for 2014-15, 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 | 2014-15 | SOGE target |
|--------------------------------|-----------------------------|-------------|-----------------------|---------------|---------------|-------------|-------------|--|
| Non-Financial Indicators (kWh) | Electricity (non-renewable) | 13,395,736 | 14,527,766 | 13,958,602 | 12,957,839 | 10,788,958 | 557,239 | Increase energy efficiency per m2 by 30% by 2020, relative to 1999-2000 levels |
| | Electricity (renewable) | 0 | 0 | 0 | 0 | 3,030,348 | 10,445,037 | Increase proportion of energy sourced from renewables |
| | Gas | 14,533,749 | 14,734,218 | 13,844,863 | 14,133,671 | 11,738,113 | 10,997,798 | Increase energy efficiency per m2 by 30% by 2020 |
| | LPG (Liquid petroleum gas) | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Other | 0 | 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 | 72 1,190 | |
| | Total energy expenditure | 1,827 | Not available | 1606 | 1826 | 2,175 | 1262 | |

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 2014-15 financial year saw a 25% decrease across the estate against the 2013-14 levels and an 18% decrease against the 2009-10 levels. This was as a result of both Blackpool and Glasgow moving out of the old buildings to the new offices. The gas consumption for the financial year saw a 6% decrease across the estate against the 2013-14 levels and a 24% reduction against the 2009-10 levels.

Overall, we saw a 16% decrease in total energy consumption across the estate against the 2013-14 levels and an 21% reduction against the 2009-10 levels, all helped by the rationalisation of the NS&I estate.

CO_{2e} emissions

| NS&I EMISSIONS | | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | SOGE target |
|--|---|---------|---------|---------|---------|---------|---------|---|
| Non-Financial Indicators (tCO _{2e}) | Total emissions direct (gas and diesel) | 2,674 | 2,735 | 2,542 | 2,618 | 2,164 | 2,034 | |
| | Total emissions indirect (electricity) | 9,114 | 8,463 | 7,229 | 6,743 | 4,806 | 461 | |
| | TOTAL EMISSIONS | 11,788 | 11,198 | 9,772 | 9,361 | 6,970 | 2495 | Reduce carbon emissions by 20% by end March 2015 and 30% by 2020, relative to 1999-2000 |
| Financial Indicators (Cost of CO _{2e} as per Carbon Management Plan) (£k) | | 2,065 | 1,953 | 1,724 | 1,826 | N/A | N/A | |

Overall, our CO_{2e} emissions from energy consumption reduced by 78% against the 2009-10 baseline year and reduced by 64% against 2013-14. Our direct emissions from burning natural gas for heating used to 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. In 2014-15 Atos were successful in transferring all their electricity supplies to be sourced from renewable energy hence the massive reductions in this years CO_{2e} production. This change was not incorporated into our original Carbon Management Plan.

For the first time NS&I are able to report the CO_{2e} emissions for NS&I Head Office staff business travel. This amounted to 143tonnes of CO_{2e}.

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 | 2014-15 | SOGE target |
|------------------------------|--|---------------|---------------|---------------|---------------|---------------|---------------|--|
| Non-Financial Indicators (t) | Total waste | 1,139 | 1,072 | 997 | 646 | 1,378 | 785 | Reduce waste arising by 25% by 2020, relative to 2004/05 |
| | Total hazardous waste | 5 | 6 | 0 | 0 | 4 | 1 | |
| | Non-hazardous waste to landfill | 290 | 341 | 315 | 148 | 133 | 106 | |
| | Non-hazardous waste reused/recycled | 843 | 726 | 682 | 498 | 1,242 | 643 | Increase recycling to 75% of waste arising by 2020 |
| Financial Indicators (£k) | Disposal cost London Head Office Operational Sites | 14 118 | Not available | Not available | Not available | Not available | Not available | |
| | Total | 132 | | | | | | |
| | Total hazardous waste disposal cost | Not available | 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 | Not available | |
| | Non-hazardous waste reused/recycled cost | Not available | Not available | Not available | Not available | Not available | Not available | |

Waste recycling

The 2014-15 recycling figures for the four NS&I sites have been impacted by office relocations which require the strip out of old offices and the fit out of the new ones, thus increasing waste and generating waste which may not be recyclable. That said the recycling level for the whole business is 81.93% which is above the SOGE target level of 75% by 2020.

Waste arising

Overall waste arising from all four sites decreased by 43% against last year and by 31% against the 2009-10 baseline.

Water consumption

| NS&I WATER CONSUMPTION | | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | SOGE target |
|-------------------------------|--------------------------------------|----------------------|---------------|----------------|--------------|--------------|--------------|---|
| Non-Financial Indicators (m3) | Water consumption – supplied | 60,635 | 46,869 | 45115 | 41098 | 26515 | 33122 | 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 | 4.5 234.7 | |
| | TOTAL | Not available | | 246.9 | 264.2 | 138.3 | 239.2 | |

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.

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 increased by 25% against the previous financial year. This was due to the relocations in Glasgow and the new Durham site being completed and the move commencing. Against the baseline year there is a 45% reduction in water consumption.

Comparing our sites

The following table shows the environmental performance of our different sites in 2014-15 (**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 |
| 14-15 | 249 | 8,924 | 135 | 49 |
| 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 |
| 14-15 | 969 | 15,230 | 85 | 61 |
| 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 |
| 14-15 | 775 | 7,003 | 529 | 91 |
| 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 |
| 14-15 | 317 | 1,965 | 37 | 100 |

Total carbon emissions reduction

| TOTAL tonnes CO _{2e} | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | Percent change against previous year | Percent change against baseline year |
|-------------------------------|--------------|---------------|--------------|---------------|---------------|--------------|--|--|
| Energy | 8,894 | 10,630 | 9,308 | 9,361 | 6,969.91 | 2,310 | 66% decrease | 74% decrease |
| Transport | 573 | 504 | 446 | Not available | Not available | 143 | Not measurable due to change in approach | Not measurable due to change in approach |
| Water | 20.62 | 15.94 | 15.34 | 14.14 | 9.12 | 11.4 | 25% increase | 45% decrease * |
| Waste | 51.1 | 47.9 | 2.23 | 53.26 | 38.59 | 31 | 20% decrease * | 39% decrease * |
| TOTAL | 9,521 | 11,184 | 9,772 | 9,428 | 7,018 | 2,495 | Excluding travel 66% reduction | Excluding travel 74% reduction |

**NOTE: Adjustments in CO_{2e} emissions factors for previous years present a change in the Water and Waste emissions data resulting in the variances shown.*

The performance in 2014-15 for total carbon emissions shows a 66% reduction on the previous year and a 74% 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 target in our Carbon Management Plan 2009-10, was to reduce our CO_{2e} emissions by 7,000 tonnes a year from the end of March 2015. This has been achieved in 2014-15 with a 7026t reduction. Going forward this reduction will be slightly greater as the closure of the old Glasgow and Durham sites will be completed, this will result in all our locations being in modern more efficient offices allowing us to sustain this considerable improvement.

Key achievements in 2014-15

In addition to the quantitative measures above, NS&I has continued to introduce more sustainable ways of working across our operations. During 2014-15, 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 64% (compared to 69% in 2009-10, 68% in 2010-11, 71% in 2011-12, 68% in 2012-13 and 66% in 2013-14). 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 to raise funds for our corporate charity – MacMillan Cancer Support. In addition staff have completed their own sponsored activities and a total of over £16,000 has been raised to date. We aimed to raise a total of £6,000 over a two year period.
- Atos have moved all of their electricity supplies to green energy tariffs with zero CO_{2e} emissions.

Our CSR policy and targets for 2015-16

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 2015-16 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 Deloitte and Touche.

CO_{2e} emissions

| NS&I GREENHOUSE GAS EMISSIONS | | 2009-10 (actual) | 2010-11 (actual) | 2011-12 (actual) | 2012-13 (actual) | 2013-14 (actual) | 2014-15 (actual) | 2015-16 (target) |
|---|--|------------------|------------------|------------------------------|--|--|--|--|
| Non-Financial Indicators (tCO _{2e}) | 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 Actual 2,495 72% better than target | To reduce our total gross emissions by 20% from 2009-10 baseline Target 2,200 for 2015-16 |
| | 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 | No target set. Actual for Head Office staff 143 | To reduce our total gross emissions by 20% from 2009-10 baseline Target to be 143 or less |
| 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 became possible in 2014-15 for the NS&I Head Office Staff. 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 (actual) | 2015-16 (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 | Target 866 Actual 785 9% better than target | Target 700 | To reduce waste by 10% |
| | Total hazardous waste | 5 | 6 | 0 | 0 5 tonnes better than target | Target 4.5 Actual 3.55 | Target 4 Actual 1 75% better than target | Target 3 | To reduce waste by 10% |
| | Non-hazardous waste to landfill | 290 | 341 | 315 Over target | 148 46% better than target | Target 246 Actual 133 | Target 220 Actual 106 52% better than target | Target 200 | 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 | Target 650 With 75% recycled Actual 643 with 82% recycled | Target 525 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 | 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 | 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 | 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 | 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 (actual) | 2015-16 (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 | Target 25,700 Actual 33,122 | Target 25,700 |
| Financial Indicators (£k) | Water supply costs London Head Office | Not available | To be agreed | To be agreed | 2.5 | 3.1 | 4.5 | Target 3% reduction in spend compared to average of last 3 years i.e. total spend £213k |
| | Operational Sites | 264 | | | 259.2 | 135.2 | 234.7 | |
| | TOTAL | Not available | | | 261.7 | 138.3 Target was 3% reduction in spend on previous year. Actual reduction was 47% | 239.2 Target 3% reduction in spend on previous year. | |

Energy consumption

| NS&I ENERGY CONSUMPTION | | 2009-10 | 2010-11 (actual) | 2011-12 (actual) | 2012-13 (actual) | 2013-14 (actual) | 2014-15 (actual) | 2015-16 (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 Actual 557,239 63% better than target | Target 500,000 |
| | Electricity (renewable) | 0 | 0 | 0 | 0 | No target set Actual 3,030,348 | Target 11,252,400 Actual 10,445,037 (100% of Atos electricity) | Target 100% of Atos electricity consumption |
| | 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 Actual 10,997,798 4% better than target | Target 10,000,000 |
| | LPG | 0 | 0 | 0 | 0 | Target 0 Actual 0 | Target 0 | Target 0 |
| | Other | 0 | 0 | 0 | 0 | Target 0 Actual 0 | Target 0 | Target 0 |
| Financial Indicators (£k) | Energy expenditure London Head Office | 78 1,749 | To be agreed | Actuals | Actuals | Actuals 74 2101 | To be agreed | No target |
| | Operational Sites | 1,827 | | 1540 | 1826 | 2175 | | |
| | TOTAL | | | | | | | |

In addition to the SOGE targets, we have set ourselves the following goals for 2015-16. 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 2014-16 is Macmillan Cancer Support. We aimed to

raise £6,000 over 2 years, at the end of the first year we had raised over £16,000. For 2015-16 we aim to raise a further £3,000.

- 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 £123 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.

nsandi.com