



ACCREDITATION REPORT

Charity Bank

June 2024





Executive Summary

Charity Bank provides financial services to support charities and social enterprises, as well as enable savers to support positive environmental and social change across the UK. Environmental and social sustainability is part of the ethos of Charity Bank and its vision is a society that fosters vibrant communities and a healthy planet that gives every individual the opportunity to thrive.

The bank's office is based in a shared building, thus structural changes need to be approved and supported by the landlord and building managers. Although Charity Bank has worked hard to influence and enact changes within the building, there remain challenges in obtaining data and implementing further energy efficiency actions.

Despite this, Charity Bank has maintained a good Environmental Management System (EMS) including building upon its waste management system to include further waste streams and encourage waste reduction behaviours, launching initiatives to support staff to decarbonise travel, and supporting customers on their sustainability journey.

The bank has also improved its carbon footprint calculation by including 85% of emissions associated with its loan portfolio (as at 31st December 2023) and has created a Net Zero Working Group to devise strategy, set targets and engage stakeholders. Over the next year, Charity Bank should focus upon upskilling staff, creating a structure for the working group, and starting to create short- and long-term action plans to progress towards the bank's Net Zero ambitions.

Highlights

- The bank has worked hard to engage building management to improve data collection processes and has achieved excellent reductions in electricity (5%), printing (16%), and paper (14%). The bank has also improved its carbon footprint calculation.
- Charity Bank has undertaken an outstanding number and variety of projects to increase resource efficiency, and support staff wellbeing and local communities.
- Support from senior leadership is strong and Charity Bank has continued to foster excellent staff engagement.
- Charity Bank has improved its waste management system and implemented initiatives to support staff to reduce the impact of their travel.

Improvements

- Include further Scope 3 emissions within Charity Bank's future carbon footprint calculations such as travel by public transport and aviation.
- Consider implementing a process to measure waste in order to track progress towards reducing waste further improve Charity Bank's carbon footprint calculation.
- To work towards the bank's Net Zero ambitions, focus on upskilling staff, finalising the working group's structure, and creating short- and long-term action plans to achieve the bank's long term and intermediate carbon targets.



Score

Investors in the Environment is pleased to confirm that, having recently completed the audit process, Charity Bank has achieved the Green level accreditation with a score of 89%.



To achieve Green level accreditation, an organisation is required to demonstrate continual improvement through the implementation of their Environmental Management System, working towards a minimum 2% efficiency improvement year-on-year. At Green level, the organisation is focusing on driving wider sustainability development throughout and is starting to consider their value chain with the implementation of sustainable procurement practices, and associated carbon emissions.



About the audit

The Investors in the Environment (iE) accreditation requires an organisation to provide evidence that it has met a range of pre-defined criteria, set targets to reduce its environmental impact and taken action to improve its performance whilst enhancing the community in which it operates. Evidence is presented at an annual audit and this report provides an evaluation of the organisation's performance as well as offers advice on the next steps for continued improvement.

The Investors in the Environment annual audit assesses five key areas of an organisation's Environmental Management System (EMS). These areas include:

- Environmental policy
- Resource management and monitoring
- Progress against targets
- Action planning including social/ environmental projects
- Communication

The purpose of the audit is to evaluate the organisation's EMS and make suggestions relating to its performance. Future opportunities and risks to the organisation's environmental practices may also be identified as a result.

The audit consisted of an examination of documentation evidence, and an interview with key personnel on 17th April 2024, with final evidence submitted on 9th May 2024.

Evidence submitted included:

- Updated EMS Reporting Pack
- Resource measurement sheets
- Environmental Action Plan
- Environmental, Social and Governance Policy
- Carbon Footprint Calculation
- Evidence of Communication

Summary Results Table

Audit category	Score
Section 1 - Leadership and Governance (Policy)	95%
Section 2 - Resource Use, Data, & Monitoring	71%
Section 3 - Performance, Action, & Targets	92%
Section 4 - Carbon Management	88%
Section 5 - Waste Management & Materials	100%
Section 6 – Transport & Travel Planning	67%
Section 7 - Environmental & Social Projects	100%
Section 8 – Communication & Engagement	100%
Overall Score	89%



Audit Scoring

Each section of the organisation's Environmental Management System (EMS) is scored as detailed below. Full reference to scoring can be found separately in the organisation's audit sheet upon request, including auditor comments against specific criteria.

Fail	0 Points: A failing score means that this criterion has not been met nor is any progress demonstrated. <i>No progress or commitment has been made in this area.</i>
Action Needed	1 point: Action is needed to improve and should be considered in alignment with the auditor's comments and an appropriate timeline. These will be discussed during quarterly support calls to help improve. <i>The organisation is considering developing this area, but no formal process has been established or meaningful progress has not been made.</i>
Pass / Compliant	2 points: The criteria have been met, though there may also be suggestions to improve. <i>The organisation is beginning or improving this area, is broadly compliant with the iiE criteria, and may be showing processes that support improvements.</i>
Outstanding	3 points: This criterion has been exceeded as measured against the basic iiE criteria and may demonstrate a significant improvement since the previous year or may highlight best practice. <i>The organisation is succeeding with supportive target achievement and may be leading or supporting others in their sector or influence to achieve improvements.</i>

Leadership & Governance (Environmental Policy)



95%

The process of developing an environmental policy includes a review of the environmental aspects of an organisation and the impacts these have on the wider environment. This should consider material use and consumption, energy use, water management, waste minimisation, etc.

The policy is the main driver for environmental performance improvements and needs to be led by the Senior Leadership Team (SLT). It should be reviewed annually, alongside environmental performance updates.

In time, wider strategies and long-term objectives should be considered by the organisation and used to inform the commitments outlined in the policy. The policy should be communicated to staff and made available for all to review, both internally and publicly.



Strengths

- Charity Bank has established an Environmental, Social and Governance (ESG) Policy approved by the Board which clearly communicates the bank's commitment to understanding and improving its environmental and social performance.
- Sustainability is embedded into the ethos of Charity Bank as demonstrated by the bank's vision statement: 'A society that fosters vibrant communities and a healthy planet, giving every individual the opportunity to thrive'.
- Support from senior leadership is strong as evidenced by members of the senior management team (SMT) being part of the Green Team, the CEO joining Green Team meetings, as well as support from the Board for sustainability initiatives.
- Charity Bank's induction process includes a summary of the bank's sustainability work.
- The bank actively supports customers to understand and improve their environmental performance by providing green loans, and educational resources regarding environmental management and energy efficiency.

Actions for review

- Ensure the bank's latest ESG Policy is available to all interested parties on the organisation's website.
- As policies are reviewed and updated, consider implementing a process to ensure staff have read and understood the policy. This could include a short quiz which can be a helpful tool to consolidate learnings.
- Consider incorporating sustainability into Charity Bank's appraisal process. This can support the encouragement of staff members to engage with the bank's sustainability work and empower staff to define how they engage and contribute to the bank's sustainability goals.

Resource Use & Data Monitoring



71%

Resource use and data monitoring is pivotal for any organisation to ensure good management of performance. Within this section of the EMS, an organisation is required to develop robust data recording procedures and set a process for data revision that aligns with general performance reviews – which could be monthly, quarterly, or even half yearly, depending on the measured resource and planned activity.

To support the monitoring of data, a review of operations and processes across the organisation needs to be carried out to understand how and why resources are used and where opportunities for improvement exist.

As part of resource management, prioritisation is key, to ensure activities and resources focused on efficiency gains are deployed in areas which can have the biggest impact.



Strengths

- Charity Bank measures electricity, natural gas, water, printing, business mileage (petrol and diesel), and the direct and indirect environmental impact of the Bank's green loans. Where possible, data is collected on a monthly basis.
- Data is reviewed regularly within Green Team meetings and, now data is more readily available, data reviews will be more formalised.
- Charity Bank has demonstrated a strong understanding of how resources are used across the bank, and has implemented several actions to increase efficiency, including engaging building management.

Actions for review

- As Charity Bank is within a shared building, consider measuring resources for which the bank has more control over usage (such as the carbon impact of digital storage), the impact of actions to support other organisations on their journey (such as the number of green loans accessed or number of video views), or impact areas Charity Bank can take greater action around such as the impact of events.
- To maintain Green level accreditation, aim to review data on a quarterly basis, and capture how findings are utilised to track progress towards targets, develop action plans, and communicate the bank's journey with internal and external stakeholders.

Performance, Action & Targets



92%

Targeting provides an opportunity to measure performance against planned activities. Where performance is short of achieving targets, it can help to refine any activities or projects underway to make improvements while they are being completed, to ensure set out goals are achieved.

Targets can be set against activity metrics to take into account how annual changes will affect performance, with the aim to always improve efficiency where absolute reductions are not achievable.

Action plans should record intended activities and support the review of performance, with the aim to achieving the set targets. Organisations are required to demonstrate activity through well managed action plans, which are clear and easy to follow. Actions introduced should support achievement of set targets.

Strengths

- Charity Bank has achieved excellent reductions in electricity (5%), printing (16%), and paper (14%).
- The bank has implemented several actions to increase resource efficiency such as installing LEDs and PIR sensors, implementing a 4-day working week, decommissioned a fridge, and switching the water boiler to eco-mode. The bank



has also worked hard to engage the building management to support data collection and action implementation.

- Charity Bank has also set ambitious reduction targets for the next year, which are supported by good action plans for each nominated resource including a combination of technical, operational and behavioural change.

Actions for review

- To maintain Charity Bank's momentum on its sustainability journey, consider formalising action plan reviews, aiming to review actions on at least a quarterly basis. The review outcomes could be captured by dating updates within the 'notes/outcome' section of each action. Dating action review periods can also be helpful to ensure actions are progressed.

Carbon Management



88%

With increased focus on working towards Net Zero and the importance of Climate Action, carbon management is a key element of the iiE accreditation process. Organisations are required to calculate their footprint starting at buildings level (energy consumed within the buildings), then water, travel, and finally including additional aspects of business activity, such as waste, etc.

Carbon Management provides an opportunity for an organisation to consider which resources or operations need to be prioritised to decarbonise as quickly as possible, in line with Climate Science. The output from a carbon footprint calculation should be used to inform these decisions, which is another reason data capture and accurate data reporting is necessary.

Strengths

- Charity Bank has signed up to the Climate Change Commitment sponsored by the Global Alliance for Banking on Values (GABV) and is an active member of The Partnership for Carbon Accounting Financials (PCAF). Through this, the bank is committed to measuring and disclosing the greenhouse gases associated with its loan portfolio.
- Charity Bank is also part of Fossil Free Alliance, thus committing to divest from fossil fuels into renewable energy.
- In 2024, Charity Bank launched a Net Zero Working Group to lead its journey towards Net Zero with responsibility for developing strategies, setting targets, and engaging stakeholders.
- The bank has calculated a carbon footprint including electricity, natural gas, water, business travel by car, and 85% of its loan portfolio as at 31st December 2023. Additionally, Charity Bank has offset these carbon emissions through Forest Carbon.

Actions for review

- To continue to improve Charity Bank's carbon footprint calculation, particularly as the bank works towards Net Zero, consider including emissions associated with additional modes of transport such public transport and aviation.
- As the bank has moved to a hybrid model of working, include homeworking emissions within future carbon footprint calculations and continue to undertake actions to empower staff to reduce their emissions whilst at home.
- Start to develop a strategy to work towards the bank's Net Zero ambition including intermediate targets, short and long-term action plans (e.g., 5-year, 10 year and 15 year) and stakeholder engagement.
- Consider additional training for appropriate members of the Net Zero Working Group such as the [IEMA Pathways to Net Zero](#) training course.
- To communicate the organisation's carbon footprint to the wider staff base and customers, consider framing Charity Bank's carbon footprint in a tangible and digestible way. For example, 'the carbon footprint for Charity Bank is the equivalent to the average carbon footprint of X number of people living in the UK or X number of flights from London to Rome'.

Waste Management & Materials



100%

Organisations are required to review and improve upon waste management. This should start with how waste is managed on site and ultimately disposed of to ensure the correct processes are followed.

From Silver level onwards, thought should be given to procurement and how waste is generated on site, from the materials purchased that end up in the waste stream, through to the activities on site that create waste.

Finally, circular economy concepts and thinking should be introduced, with the waste hierarchy leading to decision making, opting for elimination as the priority, followed by choosing products that can be reused or repaired.

Strengths

- Charity Bank has built upon the waste management system implemented within the previous year to include confidential waste, paper & cardboard, general waste, tin cans, crisp packets, plastic, ring pulls, postage stamps, batteries, coffee pods, and toner cartridges.
- Confidential waste is recycled by Secure Shredding Services which is moving towards Net Zero.
- The bank also recycles some waste streams utilising methods which have a wider social benefit such as sending crisp packets to the Crisp Packet Project which creates warming blankets from the waste. Charity Bank also sends ring pulls to the Purple Community Fund and postage stamps to the Canine Partners.
- To engage staff with the bank's waste management system and encourage waste reduction behaviours, Charity Bank has implemented Waste Free Wednesdays.



- Daily bin checks are undertaken for the general waste by the cleaner, and recycling bins are checked by the Facilities Manager every 2-3 weeks. Charity Bank also achieved its 50% reduction target for general waste.
- Waste training is included within the new starter induction process and sustainability is considered within Charity Bank's Procurement Policy.

Actions for review

- Consider using the iiE Waste Calculator as a tool to measure the bank's waste in order to track the progress of waste reduction actions and feed into the bank's carbon footprint calculation.
- Continue to review Charity Bank's waste management system and waste training in order to hone the system and ensure it is used effectively by all staff and visitors.

Transport & Travel Planning



67%

A travel plan must consider the travel needs for an organisation, including access, availability of public services, and safety of travel where relevant. Travel is the single largest contributor to UK Greenhouse Gas Emissions, and can be a challenging area to manage, given the need for transport within any operation.

The plan should aim to remove barriers for individuals to choose active / shared transport over single car occupancy, and then to consider electrification of vehicles over internal combustion engines.

Surveys are a useful tool to engage with individuals around travel habits and to support identification and implementation of barrier removals, to improve good travel habits.

Strengths

- Over the last year Charity Bank launched a Cycle-to-Work scheme as well as their own Bike Loan Scheme for staff that did not qualify for the official scheme.
- Charity Bank is also in conversation with building management to improve bike storage at the office.

Actions for review

- To raise awareness and encourage the uptake of the bank's Cycle to Work Scheme, consider taking part in initiatives that encourage cycling to work such as the [Sustrans' Travel Challenge](#). Dr Bike sessions can also be helpful to empower and engage staff with active transport by bike.
- If staff cannot currently cycle to work, consider running a project based around sustainable transport outside of work in which staff could choose to cycle/use public transport/car share where they wouldn't usually. Platforms such as [Love to Ride](#) could be used for this.



- To encourage staff and visitors to Charity Bank to use more sustainable forms of travel, consider sharing travel information (such as bus or cycle routes) on the bank's website and/or creating a travel decision tree including links to further information on how to reduce the impact of their chosen mode of transport e.g., [eco-driving tips](#) and car maintenance tips/events.
- Consider investigating and sharing (with building management) the new grant-funded program provided by [Green Energy Switch](#) offering free EV charger installations for businesses. Further information can be found [here](#), and to check eligibility, email commercial@greenenergyswitch.co.uk.
- To support staff that have or would like to transition to electric vehicles, consider sharing resources such as [ZapMap](#), [top tips for looking after an EV battery](#), and/or [top tips for extending your EV's driving range](#).

Environmental & Social Projects



100%

All organisations need to consider their corporate responsibility, both for social, community and wellbeing impacts, and for environmental impacts through biodiversity or conservation efforts.

This section requires organisations to undertake a range of projects that not only aim to achieve impacts, but to also encourage individual participation and engagement – to raise conversation and encourage individuals to consider what they can do outside of the organisation as well.

It is strongly encouraged that organisations undertake projects in all three areas, Resource Efficiency, Biodiversity / Conservation, and Social / Community.

Strengths

- Charity Bank has undertaken an outstanding number and variety of projects to increase resource efficiency, and support staff wellbeing and local communities.
- The bank has also undertaken projects to support other organisations on their sustainability journey including green lending and creating films to educate members on environmental management and energy efficiency.

Actions for review

- As the bank is starting to look at its role within biodiversity and conservation, consider undertaking projects that feed into citizen science projects such as the [UK Pollinator Monitoring Scheme Flower-Insect Timed Count](#) which only takes 15 minutes to complete and has an impact beyond the organisation. These projects also provide a great way to raise awareness and encourage staff to engage with nature. The bank could also get involved with projects that monitor [butterflies](#), [seasonal change across species](#) and [mammals](#).



Communication & Engagement



100%

The scheme requires that active and engaged communication happens at all levels, as sustainability cannot only happen within the Senior Team or only happen at ground level but requires a collaborative approach. Regular and consistent communication and engagement is therefore pivotal to ensuring objectives are achieved.

In addition, regular reporting is necessary to highlight the success of activities and improvements achieved. These should be produced both for the SLT, but also for wider staff as a way to celebrate success and recognise efforts they have made through participation.

In time, reports should be made available publicly alongside the environmental policy to further demonstrate the commitment and celebrate the achievements of the organisation.

Strengths

- Members of the senior management team are part of the bank's Green Team, and the wider SMT and Board are regularly updated and consulted on Charity Bank's sustainability journey.
- Charity Bank has created an annual ESG report which is published on its website to communicate its commitment to environmental stewardship, achievements from the year, key initiatives, as well as plans for the next year.
- Staff are also regularly updated about the bank's sustainability journey and actions, including how they can get involved, by internal messages, emails, newsletters, and regular team meetings. Biannual performance reports are also shared with staff.
- Quarterly reports are provided to investors about the bank's financial and social performance.

Actions for review

- Include further evidence of two-way communication with staff and customer regarding Charity Bank's sustainability journey.



Next steps

To continue to develop sustainability within the organisation, the business should consider and prioritise the following next steps below.

- Ensure Charity Bank's ESG Policy is shared with interested parties on the organisation's website.
- Focus on upskilling staff to support the bank's Net Zero ambition and finalise the structure of the bank's Net Zero Working Group. Furthermore, start to create a strategy supported by short- and long-term action plans to progress towards the bank's Net Zero commitment and intermediate targets.
- Consider measuring travel by additional modes of transport and waste in order to incorporate within Charity Bank's future carbon footprint calculations. As the bank has a hybrid working policy, include homeworking emissions within future carbon footprint calculations.
- To maintain Green level accreditation, aim to review data on a quarterly basis, and capture how findings are utilised to track progress towards targets, develop action plans, and communicate the bank's journey with internal and external stakeholders.
- To maintain Charity Bank's momentum on its sustainability journey, consider formalising action plan reviews, aiming to review actions on at least a quarterly basis. The review outcomes could be captured by dating updates within the 'notes/outcome' section of each action. Dating action review periods can also be helpful to ensure actions are progressed.
- Include further evidence of two-way communication with staff and customers regarding Charity Bank's sustainability journey.



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