

This document explains why we use a sustainability label for our Green Savings Bonds.

Account name

NS&I Green Savings Bonds

Sustainability objectives

Our Green Savings Bonds are jointly managed by NS&I and HM Treasury.

Money invested in Green Savings Bonds contributes to HM Treasury's Green Financing Programme and helps finance government spending on projects that tackle climate change, rebuild natural ecosystems and support jobs in green sectors.

HM Treasury uses the government's **Green Financing Framework** to decide which green projects can be funded via Green Savings Bonds and green gilts. The government reports each year on which projects have been financed by Green Savings Bonds and green gilts. The most recent **Allocation Report** was published in October 2024. The government also reports on the impact of these projects every two years. The first **Impact Report** was published in September 2023.

Green Savings Bonds help finance projects across six categories:

- Making transport cleaner
- Renewable energy
- Preventing pollution
- Using energy more efficiently
- Protecting natural resources
- Adapting to a changing climate

Projects in these areas are key to delivering the government's objectives in achieving net zero, climate resilience and nature restoration.

Money invested in Green Savings Bonds will only be used for eligible green projects and won't be used to fund other projects or public spending.

To find out more about where your money will go, visit our website at nsandi.com/green-saving.

Sustainability Focus

NS&I is using the 'Sustainability Focus' label for our Green Savings Bonds. This is because money raised by the Bonds is invested mainly in assets that focus on sustainability for people or the planet.

Green Financing Framework

The Green Financing Framework sets out how HM Treasury will identify, select, verify and report on the green projects that are eligible for financing from the money raised by green gilts and Green Savings Bonds under the Green Financing Programme.

The Green Financing Framework contains more detail on green project criteria and eligibility, and is available at gov.uk/government/publications/uk-government-green-financing

Eligible green projects should follow internationally recognised guidelines and consider any potentially negative social or environmental impacts of investment.

HM Treasury will evaluate how money is spent on green projects each year and will keep an up-to-date list of eligible green projects.

HM Treasury appointed *Vigeo Eiris* (now part of *Moody's*), an independent international provider of environmental, social and governance (ESG) research and services, to provide an external review of the Green Financing Framework. They reviewed and concluded that the Framework is credible and impactful and aligns with the International Capital Market Association (ICMA) Green Bond Principles (2021).

HM Treasury appointed *Carbon Trust* to provide an impact assessment on how funding for green projects will meet the government's climate targets and environmental policies. The *Carbon Trust* concluded that the intended allocation of money will be aligned with these targets and policies.

The *Vigeo Eiris* review and *Carbon Trust's* impact report are available at gov.uk/government/publications/uk-government-green-financing

Green Financing Programme

Green Savings Bonds are part of the government's wider Green Financing Programme.

The programme raises money through green gilts and the sale of Green Savings Bonds.

As of 1 November 2024, the Green Financing Programme had raised a total of £44.5 billion since September 2021. £42.7 billion of the total has been raised through green gilts and £1.8 billion has been raised through Green Savings Bonds.

Measuring performance

The Green Financing Framework commits HM Treasury to publish an allocation report on its eligible green expenditures each year and an impact report setting out the environmental impacts and social benefits at least once every two years.

The first impact report was published in September 2023. It provided environmental impact and social benefit estimates for the £16.4 billion of expenditures which received financing raised in the financial year 2021-22, the first year of the Programme.

More detail on impact metrics and methodology is in the 2023 impact report, available at gov.uk/government/publications/uk-government-green-financing

The Green Financing Programme has a rigorous process for selecting eligible projects and reporting on their impacts, as set out in the Green Financing Framework.

Eligible projects are chosen for their contribution to government green objectives by HM Treasury and the relevant spending department, in line with best-practice guidance.

Is my money safe?

Any money you invest in Green Savings Bonds is completely secure, backed by HM Treasury, and the interest rate you receive is fixed for the 3-year investment term.