



FCO SERVICES

Part of the Foreign and Commonwealth Office

FCO Services

Sustainability Report

2017/18

Sustainability report

This annual report provides an overview of the progress FCO Services has made against both the FCO Sustainability requirements and the Greening Government Commitments and targets (GGC) during 2017/18, and how we fulfil our obligations to report sustainability performance under the Annual Report and Accounts. As a Trading Fund of the FCO, FCO Services strives to be an equally sustainable and committed department. It also looks beyond the GGC targets, to wider activity that supports creating a more sustainable organisation; in line with the FCO's Diplomacy 20:20, FCO Services is developing a strategy that is working to support the delivery of a world-class platform by delivering a cost effective, environmentally efficient department.

1.1 Sustainability in FCO Services

Sustainability in FCO Services is about being efficient in the use of assets and resources, our materials and supply chain; planning for the long term to take account of environmental and socio-economic risks and opportunities. Managing the

environmental impacts and effects within FCO Services supports the FCO in the achievement of its strategic objectives and contributes in numerous ways to these goals through its outputs and the management of the organisation. With FCO Services committed to several programmes of work, Diplomacy 20:20 being the biggest, a key focus in the organisation has been to drive improvements in our management information and ensure we are able to take account of opportunities and risks in decision-making. In parallel to this, we have continued to drive improvements to deliver the GGC targets and align with public sector reporting requirements.

1.2 Summary of Performance

1. The FCO Services Annual Report and Accounts 2017/18 highlights some of the activities that have contributed over the past year to achieving three key goals; from recyclable cardboard pallets helping to ensure the sustainable use of resources (Goal 1); the latte levy demonstrating

and promoting sustainable approaches and initiatives to increase environmental accountability (Goal 2); the extension of Green Bays to staff cars, work to make the infrastructure more resilient and reduce carbon emissions from it (Goal 3).

2. Sustainability performance is monitored regularly and reported to senior management; this is a key part of demonstrating our commitment, as well as increasing transparency, and accountability of our performance against Government targets and related expenditure.
3. All sustainability performance figures in this report relate to FCO Services only. The performance measurement is based on 2019/20 targets compared to a 2009/10 baseline, for the UK operations and non-wider market impacts. Financial figures are also aligned to FCO Services' proportionate share, related impact as well as expenditure in some areas.

4. FCO Services continues to be a registered participant in the EU Code of Conduct for Data Centres; the acquisition of our 'green' data centre and the potential of another one continues to reinforce our commitment to the Greening ICT Programme that aligns to the government's ICT Greening Strategy. In addition to the long term energy and cost savings, the rigorous reporting and compliance requirements give the relevant assurances to our customers, stakeholders, suppliers and employees of that commitment.

5. The FCO Services fleet is the other significant source of travel emissions within FCO Services. However, through the continued investment in our fleet, we strive to reduce the environmental impact of road travel.

The Official commercial fleet covered over 385,000 miles & conveyed over 420,000kgs of diplomatic consignments. FCO Services have just taken delivery of X2 new DAF XLT cab units which are fully Euro 6 (VI) compliant. These cab units meet & exceed many of the current environmental legislations currently enforce throughout Europe.

By consolidating our customers' European consignments via the scheduled service, we have reduced the ad-hoc deliveries that impacted on posts' resources and also reduced environmental issues when ad-hoc flights and vehicles were required to deliver consignments off schedule.

Our London fleet makes use of hybrid vehicles to reduce environmental impact within central London and comply with Transport for London emission zones.

6. The GGC targets for Greenhouse Gas Emissions, paper, and waste reduction for FCO Services contribution has been documented. The following table provides a

summarised breakdown of performance in the key areas, direct GGC, indirect and other indirect energy emissions:

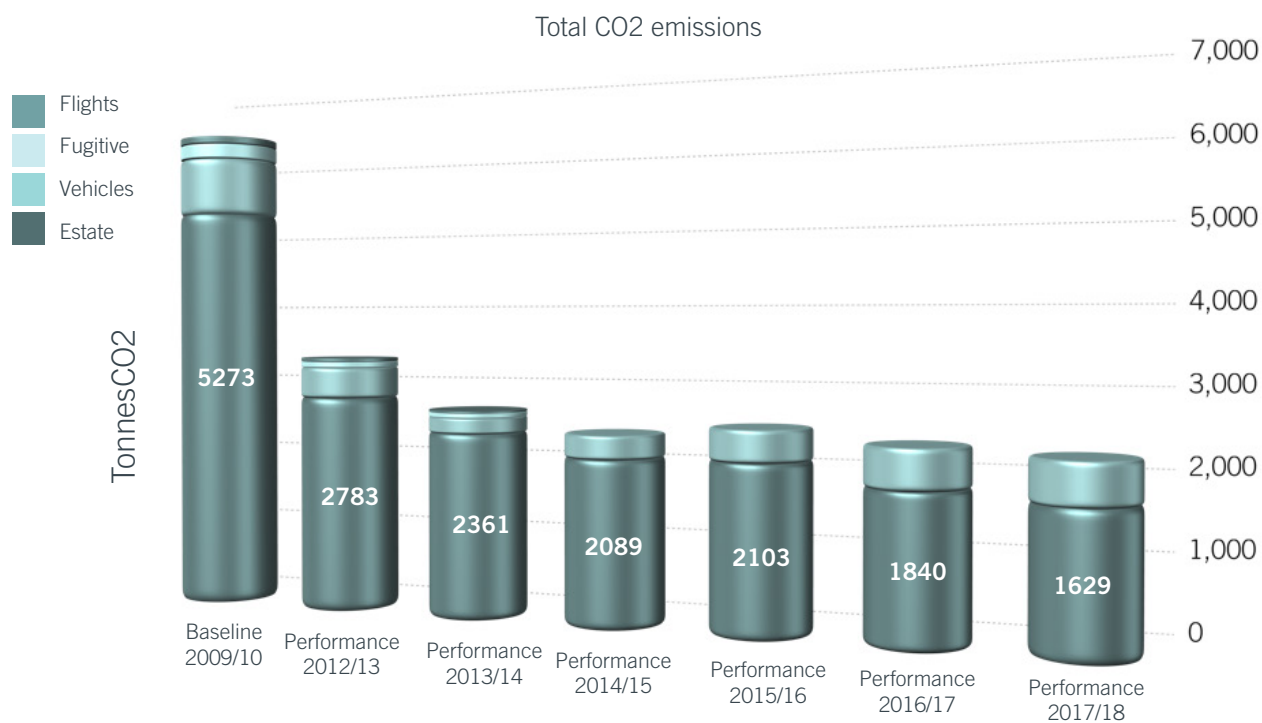
Impact	2017/18 Performance	FCO Greening Government Commitments Target for 2019/20 FCO Services contributes to these targets
Greenhouse gas emissions from UK estate, vehicles and domestic train and air travel	1,629 tCO2	Reduce greenhouse gas emissions by at least 46% from a 2009/10 baseline
Estate energy expenditure	£537,140	
CRC Energy Efficiency Scheme expenditure	£25,362	
No. of domestic flights	148	Reduce the number of domestic business flights by at least 30% from the 2009/10 baseline
Vehicle and domestic train and air travel expenditure	£229,579	
Office water consumption	7.1m ³ per Full Time Equivalent	Continue to further reduce water consumption. Each department will continue to improve on the reductions they had made by 2014/15. 6m ³ per FTE = good practice
Office water expenditure	£8,881	
Paper consumption	3,031 A4 reams equivalent	Reduce government's paper use by at least 50% from a 2009/10 baseline Reduce the amount of waste going to landfill to less than 10%;
Waste arising	72 tonnes	Also to continue to improve our waste management by reducing the overall amount of waste generated and increasing the proportion which is recycled.
Total waste disposal expenditure	£16,162	

1.3 Normalised Performance

1. As a Trading Fund, FCO Services' emissions will always be predominantly driven by customer demand for its services. This may inevitably result in increased effects on the environment if customer demand drives additional activity in the future.*
2. To allow like-for-like comparison between years and organisations, all data has been re-baselined (from 2009/10). In addition, environmental impacts have been normalised by dividing consumption by headcount; this produces simple indicators of like-for-like comparison for future years.
3. The expenditure figure is derived from FCO Services' total spend, excluding wider market impacts. The Full Time Equivalent (FTE) staff number, excluding wider market impacts equals 660; this includes contractors and agency personnel as well as staff working on FCO premises in the UK plus FTE visitors to UK premises.

Impact	Per full time equivalent (FTE) (2017/18)	Per full time equivalent (FTE) 2016/17)
Greenhouse gas emissions	2.6 tonnes of CO2e per FTE	2.9 tonnes of CO2e per FTE
Office water consumption	7.1 cubic metres per FTE	7.5 cubic metres per FTE
Waste arising	109 g per FTE	160 g per FTE

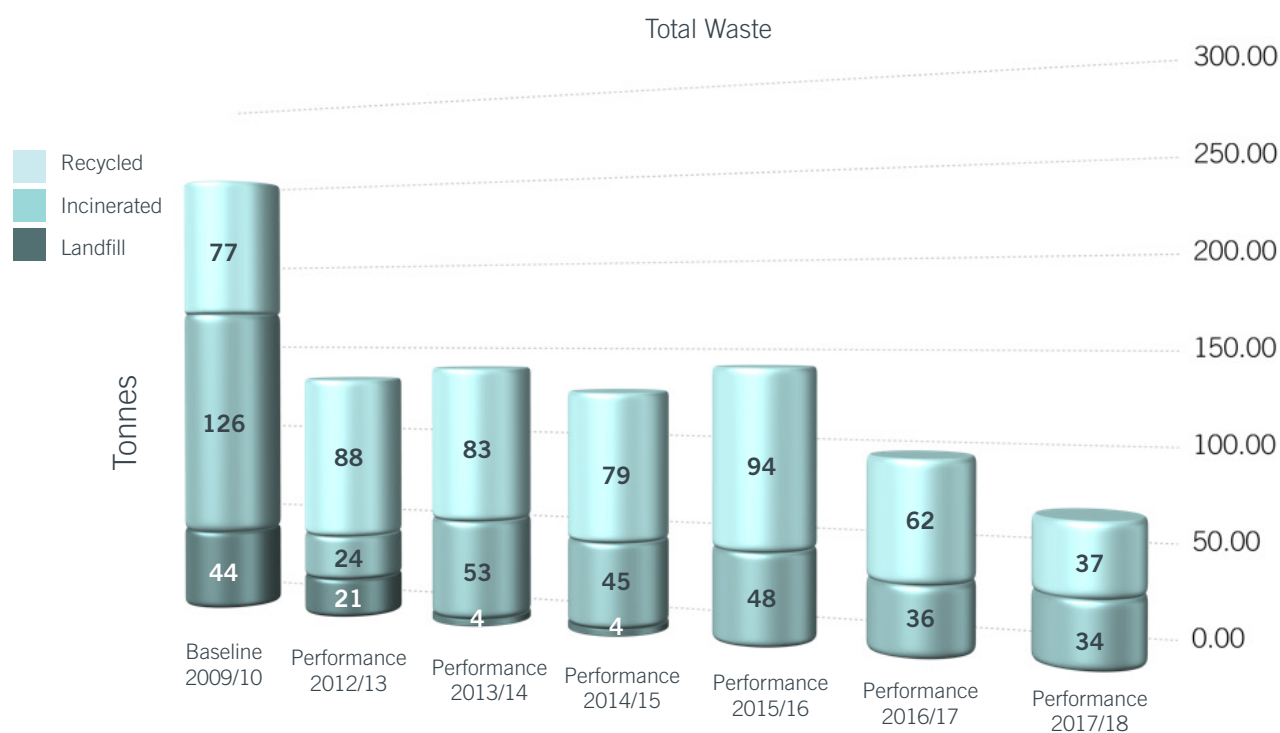
Greenhouse Gas Emissions	kWh/miles/no.	tCO2	GBP (£)
Electricity	2,910,499	1,119	£428,817
Gas	209,014	39	£2,952
Heating Oil	89,513	25	£3,909
Biodiesel	271,647	1	£38,663
Biomass	32,679	0	0
District Heating	318,260	84	£62,799
Fugitive	-	3	-
Domestic flights	23,496	9	£26,883
Train	42,664	3	£19,411
Private mileage	103,662	25	£44,273
Fleet	39,757	26	£72,601
Car Hire	47,428	14	£19,548
Taxis	39,034	281	£46,863
TOTALS:	3,831,612 kWh 296,041 miles	1,629	£766,719



Performance and controllable impacts commentary

FCO Services direct impacts are mainly from fossil fuels and electricity. These are being reduced through a combination of initiatives; energy efficiency measures and the heating of the Hanslope Park site with 100% biodiesel from waste and second generation oils. In addition, the continued review, investment and expansion of the hybrid fleet continues to reduce emissions. The energy efficient containerised data centre continues to contribute to performance results.

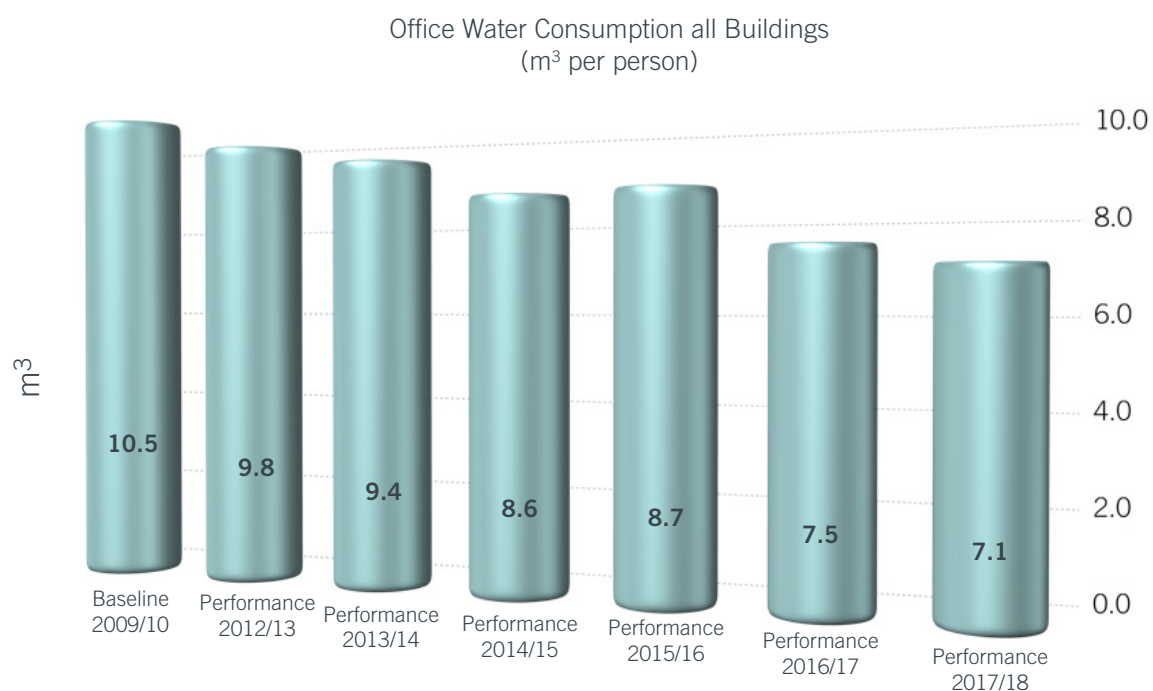
Waste	2016/17	
	Tonnes	GBP (£)
Total Waste	72	£16,162
Hazardous Waste	1	£645
Total waste by method of disposal		
Landfill	0	£6,400
Reused/Recycled	37	£6,400
Incinerated (without energy recovery)	2	£32
Incinerated (with energy recovery)	32	£9,085



Performance controllable impacts commentary

FCO Services has limited control over the waste it uses as office accommodation is supplied by the FCO. However, through robust procurement process, it ensures the use of 100% recycled paper products, and encourages more sustainable waste solutions where possible. This has led to the significant reduction in our overall waste streams.

Finite Resource Consumption – Water (Supplied)	Cubic metres	GBP (£)
Office Water Consumption	4,350	£8,881
Non-Office Water Consumption	2,875	£5,869
Total	7,225	£14,750



Performance and controllable impacts commentary

Controllable impacts include water use in washrooms, canteens, evaporative cooling systems for data-centres as well as building cleaning. Meters have been installed in all buildings and major water consuming units within buildings and opportunities have been identified to reduce washroom water use at Hanslope Park.

Corporate Social Responsibility

As a responsible organisation, we respect the interests of our stakeholders (the FCO), our employees, and our customers. FCO Services takes its responsibilities seriously; the activities and performance improvement during the year shows not only our commitment to maintaining this, but also increasing our impact in this area.

Following the purchase of three electric vans, as well as greening the lifting equipment in our distribution centre in 2016/17, this initiative proved to be a catalyst for change and improving our green footprint further in Hanslope Park. A joint initiative business case, supported by the FCO, was agreed that green charging bays for staff vehicles would be installed.

The green bays were welcomed by staff, particularly those with compatible vehicles and it is hoped that, over time, this will encourage others to go green too. This initiative was only achieved through having a common goal and demonstrating the truly collaborative working across both FCO Services and the FCO.

One of the biggest, and high profile, initiatives has been that around plastics. As part of the FCO family, FCO Services has aligned itself to the FCO's #BeyondPlastic campaign following the Foreign Secretary's announcement (on 27 February) that "...avoidable single-use plastics from its [the FCO's] UK operations by the end of this year, and from

its global operations by 2020. It is the first UK government department to announce such a ban."; this translates as "products that are made wholly or partly of plastic and are typically used once or for a short period of time before being disposed and are technically, environmentally and economically practicable to avoid".

Within two months of the Foreign Secretary's announcement, the following steps were implemented:

- Switched plastic cutlery and food containers to biodegradable alternatives.
- Switched single-use condiment sachets to refillable ones
- Switched plastic cups to glass/paper (285,600 items pa)
- Ended provision of plastic straws.
- Introduced china coffee cups, and
- A 50p latte levy (25p discount for using reusable mug, 25p surplus for use of disposable mug). This drove usage of reusable coffee cups from 3% to 46% within the first fortnight.

By supporting and participating in these actions, it is hoped that the use of single-use catering plastic in the UK will be reduced by 40% (on an annualised basis. Further action to remove avoidable single-use plastics will be taking place in 2018, through to 2020.

Also in 2017/18 FCO Services, in conjunction with the National Offender Management Service, provided prisoners in HMP Bullingdon's laundry room with the opportunity to use their time productively to launder our Diplomatic Bags.

As well as taking part in some meaningful activity, prisoners also earned a small income and helped FCO Services reduce the number of new bags required. New bags are currently sourced and shipped from overseas; this initiative has saved further public funds and reduced our environmental impact. In this financial year Bullingdon's inmates laundered 39,892 bags.

The introduction of cardboard crates has significantly reduced our footprint in this area; this year has seen further efficiencies as we have now introduced the ability to purchase component parts and further reduce waste as well as making tangible financial benefits.

The efficient use of our fleet and the diversification into other areas of work around Hanslope Park and globally through the RTSS Lorries has highlighted better ways of working, as well as reduced airfreight costs.

Our resolve is further reinforced by our continued participation in the EU Code of Conduct for Data Centres to making both energy and cost savings, as well as endorsing and improving the robustness of our environmental operations.

Biodiversity and the natural environment

FCO Services environmental impacts are managed under the FCO's Environmental Management System (EMS), which is formally accredited to the ISO 14001 standard, through Lloyds.

As tenants of the FCO, we are committed to enhancing and improving the biodiversity of the Hanslope Park site. There is active vegetation management with designated areas for wild flowers; as well as an annual arboriculture survey. Tree maintenance is an ongoing activity, and ecological surveys are carried out prior to any works on site. The FCO Services on site nursery continues to promote habitats for birds and insects and staff in the wood workshops are actively involved in building bird feeding tables on site.

The Biodiversity Plan for Hanslope Park is reviewed annually. Potential impacts on existing habitats and species are factored into the management and landscaping of the Hanslope Park site and where possible, wildlife corridors and natural habitats have been enhanced. The bee hotels initiative has proved successful and will be extended, to maximise their potential for the most positive impact on the surroundings.

Sustainable Procurement

FCO Services adopts UK government best practice in sustainable procurement. FCO Services also contributes to the FCO Greening Government Commitments for Sustainable Procurement; wherever possible, products are sourced via government framework contracts, which place up to date sustainability obligations upon our suppliers.

The sustainability credentials of our suppliers are examined and reviewed rigorously in the selection process. FCO Services also reviews the ongoing compliance with sustainability requirements by its suppliers; for example, Forest Stewardship Council chain of custody certification in respect of timber procurement is monitored. The emissions of our freight and private hire contractors are regularly reviewed as part of our ongoing contract management activity and where possible incorporating the use of Hybrids or electric vehicles. Where bespoke contracts are placed, UK Buying Standards and government sustainability terms and conditions are incorporated.

FCO Services Sustainable Procurement Policy reflects the strategic direction, as well as the commitment to change and improvement in this area. The implementation of key activities reinforces this, including:

- The move from a sustainability compliance approach to a sustainability performance approach with supply chain partners
- A Sustainability Action Plan against the DEFRA flexible framework to set targets for sustainable procurement has also been developed
- Sustainability risk in the supply chain will be identified through the addition of sustainability impact areas to contract risk registers and managed through the Supplier Relationship Management process
- A Sustainable Procurement Checklist has been embedded within existing procurement guidance to ensure sustainability is considered throughout the procurement cycle

As well as delivering sustainability through contracts, sustainable procurement is also about making opportunities accessible to a wide range of suppliers; particularly small and medium enterprises. FCO Services supply base is over 25% SME suppliers; exceeding the Government's 2015 target. In addition, our staff are the only government department that hold the CIPS Corporate Ethics certification.

People and Initiatives

Staff awareness communications through the various channels are used to promote activities periodically and inform staff on performance and there is an increasing awareness as a result and participation in green initiatives, like the latte levy.

An annual budget is allocated for the management of our carbon footprint, and to help the organisation understand the costs and benefits of managing it.

FCO Services staff form part of the joint organisational Environmental Volunteers.

Danny Payne

Chief Executive and Accounting Officer
27 June 2018

Notes

* This was addressed in the latter half of 2012/13 financial year following an exemption case (to DEFRA) which now means that these emissions are not included in our formal reporting;

1. FCO Services (along with Wilton Park) are included in the figures of the FCO report because they are included in the FCO's sustainability targets. The sustainability impacts of FCO Services (or the FCO's) overseas operations are not included.
 2. Fugitive emissions refer to the air conditioning, refrigerants and cooling systems for data centres.
 3. The respective costs for energy, water and some waste are not paid for by FCO Services, but form part of our tenancy with the FCO. The tables in the report reflect FCO Services' proportion of these, as well as our carbon impact; this equates to 13% after allowing for wider market impacts.
 4. The greenhouse gas figures exclude carbon emissions associated with one wider market server hosting service at the FCO's Hanslope Park site.
- With the agreement of Defra, DECC and OGC, responsibility for reporting those emissions were contractually passed to the customer. Estate electricity consumption includes electricity consumed in charging FCO Services owned electric vehicles. Some emissions from official train and underground, bus or coach travel have not yet been base-lined or reported.
5. Defra conversion factors have been used to calculate carbon emissions. Some totals include estimates where actual readings could not be taken. The methodology and calculations for each estimate is documented.
 6. The greenhouse gas emission figures are non-weather corrected.
 7. The expenditure figures relate to FCO Services' UK operations only and include VAT. FCO Services purchase fuel for the fleet (except electricity for electric vehicles).
 8. The expenditure figure used for normalising the sustainability data includes all FCO Services' wider market (non FCO) revenue; this equates to £47.2m.
9. This is the sixth operating year for the Containerised Data Centre (CDC); the considerable performance credentials it has (a maximum PUE = 1.3, which equates to very efficient), as well as utilisation of free air cooling 95% of the time). This means it has played a key part in supporting the organisation's performance data
 10. Under CRC Energy Efficiency Scheme rules, the FCO must purchase CRC allowances for all CRC qualifying emissions on its estate, including the emissions of its tenants. As a tenant FCO Services has made a provision to reimburse the FCO £25,362 for 2017/18.
 11. The three scope areas for GHG emissions are:

Scope 1 – Direct Greenhouse Gas Emissions (including gas usage, fuel oil, LPG and fuel from vehicles owned and operated by FCO Services)

Scope 2 – Energy Indirect Emissions (usage of electricity supplied to FCO Services)

Scope 3 – Other Indirect Emissions (includes business travel by air, rail, and hire/private car use)