



# Responsible Business Strategy

*Towards a sustainable future*

## Annual report 2019-20



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## Foreword

This year Covid-19 shone the spotlight on the importance of being a responsible business. As an organisation with local government, charitable and wider functions we have endeavoured to play our part in the response to Covid-19 in each area. We have used our capacity and resources for the collective effort and to support our staff, partner organisations, businesses and residents handle the numerous impacts of the pandemic.

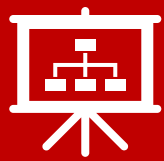
Many of our on-going responsible business activities have provided a foundation for our response. Systems including our successful mental health first aiders and staff diversity networks were translated into online support systems for staff. Through our clean city awards scheme and business healthy networks, we were able to provide guidance on how to make businesses Covid-secure and promote staff health.

While Covid-19 and the national lockdown did impact on strategy delivery, it is a testament to the commitment of the City Corporation to our responsible business strategy that this has had a relatively minor impact on the strategy implementation. With the predominance of Covid-19 in our minds, it is important to also celebrate our wider responsible business activities.

Meaningful achievements were made across our key priority areas, including developing our ambitious climate action strategy and partnering to launch both the Impact Investing Institute and Financial Services Skills Commission, and winning at the London Transport Awards for our 'Transition to a Zero Emission Fleet Strategy'.

Looking ahead, we need others to join us on this committed journey to be a responsible business as the urgency for action has compounded this year - from the growing climate and biodiversity crises to the impact of the pandemic on social mobility and wellbeing. To achieve wide-ranging progress in these areas we need to act together to make lasting positive change by building back better.

*Catherine McGuinness, Chair of the Policy & Resources Committee, The City of London Corporation*



We are pleased to provide the second annual update on the actions and activities outlined in the City of London Corporation's (City Corporation) Responsible Business Strategy 2018-2023. The events of this year required us to demonstrate our responsibilities to our employees, residents, businesses, suppliers and wider society like never before. The second year of the strategy has been challenging, but also opened opportunities for us to change the way we work, build on our existing strengths and learn from others to further reinforce our commitment to:

*Create positive impact and reduce negative impact across all our activities and decisions because it is the right thing to do and will help ensure a sustainable future.*

We have played our part in the response to Covid-19 by leading the pan-London response for London Councils; providing over £12.7M in assistance to 200+ organisations, ensuring they could continue their essential work; providing resources and support to businesses; and supporting our residents, workers, students and staff.

Despite Covid-19, the urgency for taking significant climate action continues to accelerate. Our ambitious, evidence-based Climate Action Strategy was approved in Autumn 2020. The strategy commits the City Corporation to net zero direct (scope 1 & 2) carbon emissions by 2027 and indirect (scope 3) emissions by 2040 in our own operations, and to help the Square Mile meet net zero by 2040, as well as to build the climate resilience of our assets and the Square Mile.

We have been committed to increasing the diversity and social mobility of our workforce and in the wider financial and professional services sector. The Black Lives Matter movement has shone a spotlight on the racism still present in society. This year we signed the Race at Work Charter to show our commitment to prioritise action on race equality and launched a Tackling Racism Taskforce made up of elected officials and City Corporation officers that is taking a deep dive approach into issues such as staffing, culture, internal governance, education, police, health and wellbeing and business.

As the heart of the UK's financial services sector, we have worked to ensure that London and the Square Mile remains a leader for green and socially responsible investment. This year we collaborated to launch of the Impact Investing Institute, as well as continued our active support for the Green Finance Institute. We have also worked to increase the diversity of the financial and professional services sector through our work with the Women in Finance and Race at Work charters and the Social Mobility Commission.

Our responsible business work is wide-ranging, spanning eight main themes. Work this year includes implementing London's first 24-hour zero-emissions street; adopting a comprehensive new responsible procurement policy; obtaining our Employer with Heart status through adopting a new Premature Baby Paid Leave policy; working with city businesses on areas such as recycling, air quality, and health; and species monitoring and natural pest-control measures to protect biodiversity at the open spaces we manage.

This report shares the key highlights, progress and partnerships that are involved in delivering the Responsible Business Strategy. It recognises our achievements for the year October 2019 through September 2020, our COVID-19 response and reaffirms our commitment to the ongoing delivery of our Responsible Business Strategy.



# Our approach to Responsible Business

## Areas of focus

Our strategy focuses on two outcomes; **individuals and communities flourish**, and **the planet is healthier**. Each outcome has a set of priority areas for 2018-23 outlined in the table to the right, along with eight responsible business practices to guide our work.

<p><b>Individuals and communities flourish</b></p> <p>Priority areas</p> <ul style="list-style-type: none"> <li>✓ People’s wellbeing</li> <li>✓ Equal opportunities</li> <li>✓ Diverse organisations</li> </ul>	<p><b>Responsible business practices</b></p> <ul style="list-style-type: none"> <li>✓ Engaging our employees</li> <li>✓ Using our convening power</li> <li>✓ Connecting our communities</li> <li>✓ Ensuring transparency</li> <li>✓ Preventing bribery, corruption and fraud</li> <li>✓ Promoting human rights</li> <li>✓ Championing responsible investment</li> <li>✓ Leading responsible procurement</li> </ul>
<p><b>The planet is healthier</b></p> <p>Priority areas</p> <ul style="list-style-type: none"> <li>✓ Air quality</li> <li>✓ Waste</li> <li>✓ Plastics and packaging</li> <li>✓ Climate change</li> <li>✓ Biodiversity</li> </ul>	

## Governance

**The Responsible Business Environmental Working Group** – This group is comprised of the Responsible Business Strategy Officer and environmental theme leads and has responsibility for implementing the actions to deliver Outcome 2 of the Responsible Business Strategy.

**The Social Cross-Corporation Working Group** – This is a joint group comprised of the Strategy officers and social theme leads of the Responsible Business Strategy, as well as the City Corporation’s Social Mobility and Digital Skills Strategies, with joint responsibility for implementing the strategies.

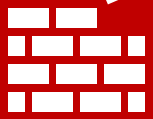
**The Senior Responsible Officers** – the Chamberlain and Director of City Bridge Trust are the joint SROs, accountable for the delivery of the strategy.

**Summit Group** – The senior leadership group responsible for decision making across the organisation, ultimately responsible for all responsible business-related activity.

**Policy and Resources Committee** – The senior committee comprised of elected members that have oversight for all responsible business-related activity.

## Reporting and transparency

This report to highlights our key achievements and areas to progress which is available on our website to download. Key responsible business performance indicators are reported against periodically as part of the organisation’s Corporate Performance Framework, demonstrating the integration of responsible business priorities in the organisation.

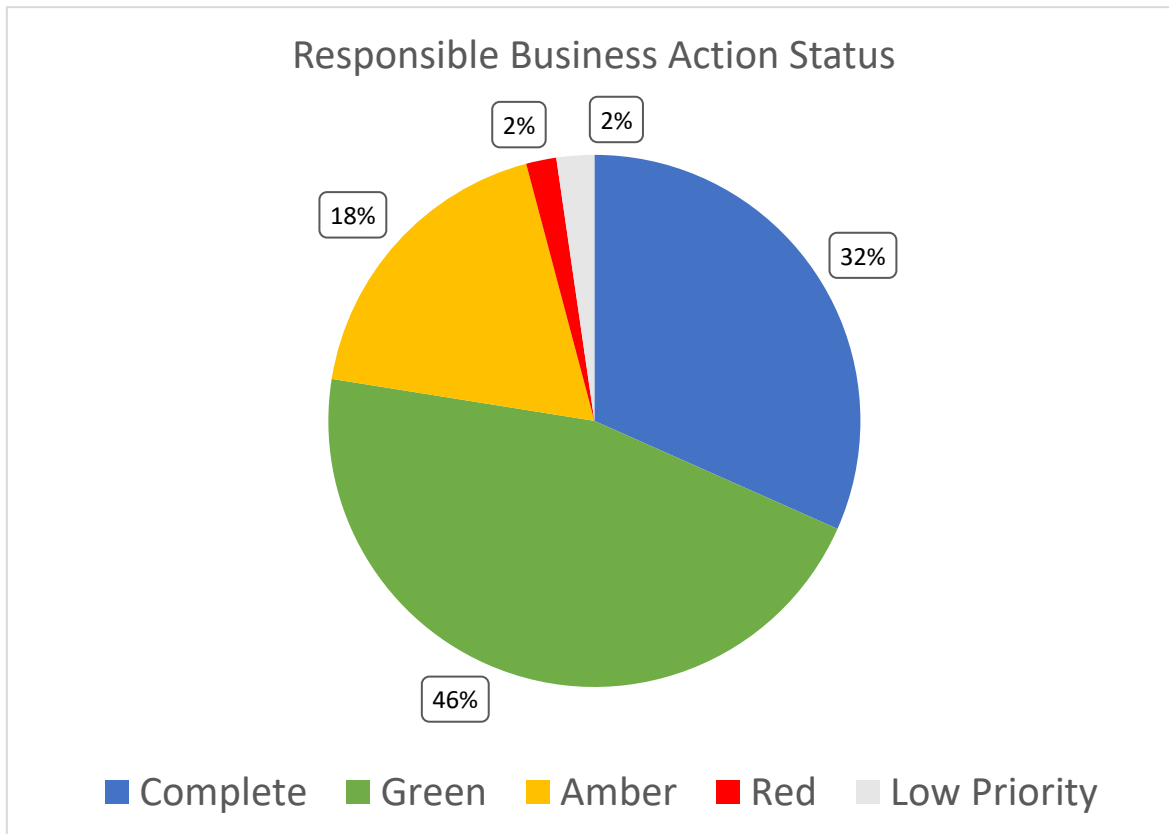


# Overview of progress

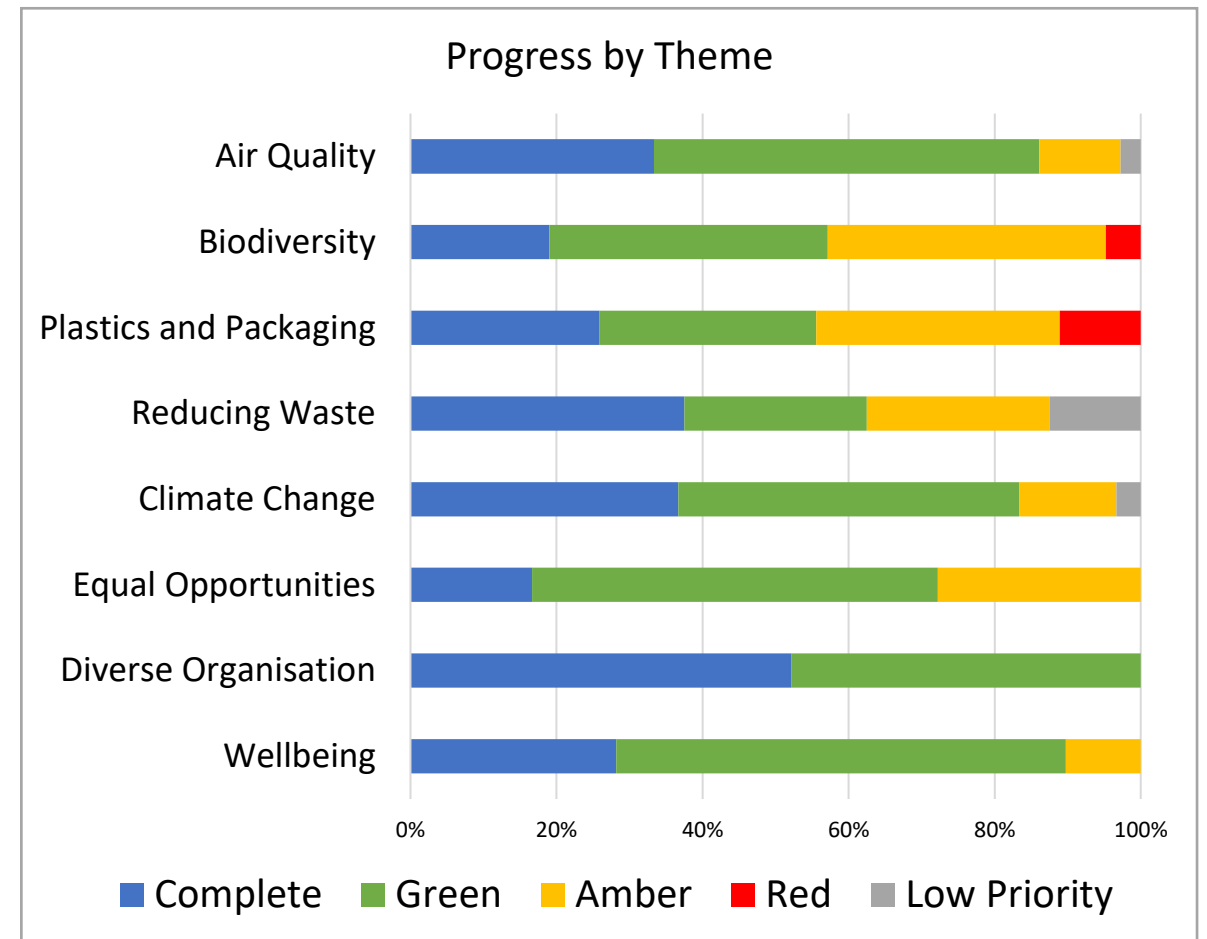
Each of the priority areas has an accompanying action plan which directs our work. Below we provide a RAG rating update on each of the priority areas in achieving the actions set out in the action plans:

## Overall progress

The Responsible Business action plan contains 218 actions across the eight priority areas. The redirection of resources to Covid-19 response and predominance of homeworking had a significant impact on the achievement on 46 of these, especially in relation to our waste and single use plastic ambitions. 13 of those impacted actions are now back on track. As a result, the plan had to be dynamic to include creative alternatives and new priorities.



At the end of Year 2, we have completed 69 actions and are on track to complete by the end of Year 5 a further 100 actions, which together represent 78% of our committed actions. 22% of our actions are behind schedule, predominantly due to the mentioned Covid impact, but only 4 of our actions (2%) are classified as a red risk. We have mitigation actions in place to manage these risks and course correct in the action plan.





# Strategy Impact

## Tracking our Impact

The drive for delivering the Responsible Business Strategy is to achieve a positive impact. While much of that impact is hard to quantify, 69 key performance indicators (KPIs) that cover the eight primary themes have been selected to help track our progress. This is an expansion on the 53 identified in the previous report, primarily due to additional data becoming available and additional impact areas identified as needing measurement.

Half of these indicators are embedded in our corporate performance framework, which enables us to clearly demonstrate our impact against our Corporate Plan for 2018-23. In addition, we have a variety of strategy-specific indicators linked to our action plans to aid us in demonstrating the outcomes and impact of this strategy.

Of our 69 performance indicators, data was able to be collected this year on 51. Seven of the new indicators will not have available until next year, two were not measured this year due to Covid and for nine we are still working to establish the corporate systems to measure them. A summary of the indicators is presented below, with the full framework in Appendix A.

For the performance indicators where there was historical data to track progress against for, 86% showed improvement this year, with the negative performance of 11% linked to Covid-19 impacts. Two indicators linked to supply chain engagement were not progressed this year but are a crucial area of action for next year.



## Supporting the United Nations Sustainable Development Goals (SDGs)

The UN Sustainable Development Goals provide a comprehensive framework for organisations to assess, understand and make a positive impact on the major issues impacting society, the environment and the economy. In September 2020, we formalised our ongoing commitment to working towards achieving the SDGs by embedding relevant SDGs into strategy development, implementation and reporting, engaging with businesses and reporting on our progress.

We have identified nine of the SDGs that we have the most potential to help through the focuses on this Responsible Business Strategy.





# Our Response to Covid-19

*As an organisation with local government, charitable and wider functions we have endeavoured to play our part in the response to Covid-19 in each area of our work, using our capacity and resources for the collective effort.*



## As an Organisation

Looking after the physical and emotional wellbeing of our staff has been a top priority. We have compiled several resources to help staff stay mentally healthy. These have ranged from transitioning our mental health first aider programme online, to guides on how to support our frontline workers, providing flexible hours and resources for parents and carers, and starting Power Hours focused on ensuring staff have the technical and emotional skills that they need to work from home effectively. To help weather the insecurity, one of the first priorities of the HR team in lockdown was to automatically extend the contracts of all our apprentices due to before June to provide job security in an uncertain time.

Recognising that the COVID-19 lockdown could impact many business sectors in which the Corporation is active, our procurement and finance teams quickly established a response group to develop and administer a Supplier Relief Programme. A communications campaign led by our Commercial Director was issued to all the Corporation's contracted suppliers, informing them of the Supplier Relief Programme and how it could be accessed. Additionally, we have provided Rental relief for City of London businesses. We agreed to defer one quarter's rent for a range of tenants in our properties struggling as a result of the COVID-19 outbreak.



## As a Charity

In response to Covid-19, we recognised that the challenge many charities would face during Covid was meeting core cost funding (e.g. supporting wages, rent and bills). All current Bridging Divides grantees were offered conversion funding from specific projects to core funding for up to a year. We have now converted 154 grants worth £2.8M. In addition to our normal funding streams, we provided over £1.7M in Covid response grants to over 200 organisations. We also donated £11M to and administer the London Community Response Fund on behalf of the London Funders, which has provided over £25M to 1,192 different organisations.



## As a Local Government body

The mental and physical wellbeing and financial security of our residents and businesses is a key priority. In our role as a public health authority, we worked tirelessly to develop and implement a Covid-19 response including the Local Outbreak Control Plan and Standard Operating Procedures. Ensuring the safety of our vulnerable population, in particular elderly and homeless people, was a crucial task. We made arrangements to accommodate elderly people discharged from hospitals and who could not immediately return to a home setting due to an ongoing requirement for care. We leased a hostel complete with security, cleaning and housekeeping and catering services until March 2021 for about 45 homeless City residents .

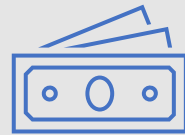
We have been supporting City businesses to navigate the pandemic – providing guidance for resources to businesses and upskilling resources to employees. Our Business Healthy programme has provided a hub to City employers and their workers of all sizes and sectors for mental health support and promotion of healthy working and lifestyle practices. In addition, Business Healthy has been bringing together key external stakeholders to address health inequalities faced by City workers in routine, service and manual roles, such as cleaning and security – who have delivered a critical service to the City's businesses throughout the pandemic, despite being disproportionately harmed by COVID-19 and its effects.

In the pan-London response, we seconded our Chief Executive & Town Clerk and other senior and junior officers to coordinate the London Councils' Covid-19 Strategic Coordination Group . In the Financial and Professional Services sector, we supported the Social Mobility Commission to run a series of webinars to identify what firms are doing to support low income communities and employees.

## Outcome 1: Individuals and Communities Flourish

Create and champion equality, diversity and inclusion across our organisation and networks and safeguard people and communities from social issues impacting London

### In our organisation:



**14%** year on year improvement to our Gender Pay Gap



Ranked in the **top 50** in the Social Mobility Employers' Index



**97** work experience placements and **143** apprentices offered all paid the London Living Wage\*



**915** staff participating in our diversity networks

### In the Square Mile and beyond:



**603** recorded hours of staff volunteering



**£31.4M** of charitable funding benefiting **367** organisations



**864** organisational members in our Business Healthy Network



Increasing the space for and prioritising pedestrians and cyclists on **33** streets.

\* All work experience with placements at least two weeks in length



## People's Wellbeing



### Teams working on this priority area

- Human Resources
- Community Safety
- Public Health
- City of London Police

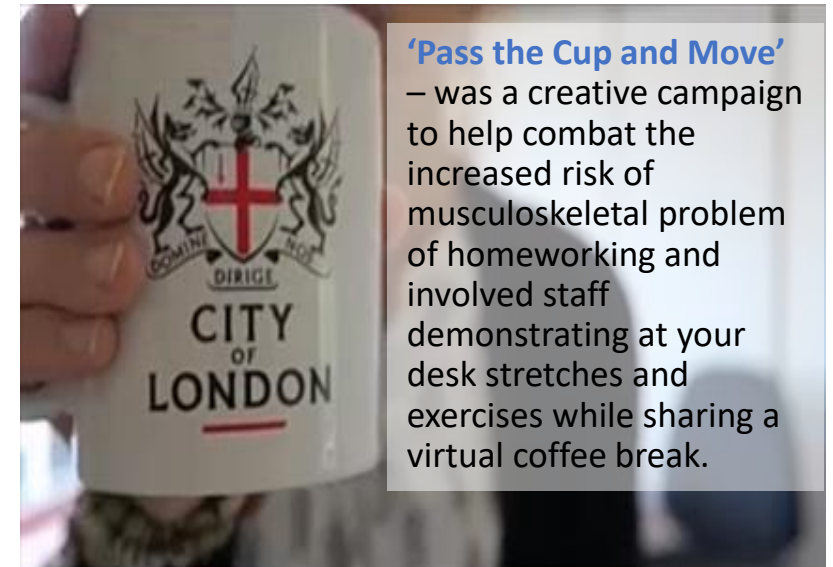
**Mental Health Strategy:** This year we launched the joint City and Hackney Mental Health Strategy 2019-23 with the vision *'Everyone will enjoy good mental health in the City and Hackney with access to the right care at the earliest opportunity when they need it, delivered as close to their local community as possible'*.

It has five strategic priorities – Prevention, Access, Neighbourhood, Personalisation and co-production, and Recovery. It aims to address undiagnosed mental health needs of people who 'slip through the net' if they do not access services early enough. The plan also addresses support for people with alcohol and drug addictions, LGBTQ+ people, older adults and BAME groups such as young black men and boys.

**Wellbeing Ambassadors:** A busy programme of wellbeing campaigns and events has been run this year, despite staff working from home. Events have been delivered digitally since March 2020 by our active network of Wellbeing Ambassadors and Mental Health First Aiders - covering themes such as 'Love your back', healthy eating, suicide prevention and kindness.

**Caring policies:** We obtained our Employer with Heart status after adopting a new Premature Baby Paid Leave policy.

**Domestic abuse:** During the Coronavirus pandemic there has been a rise in domestic abuse cases nationally. We updated our Spotting the Signs toolkit to include information for employers on how to support an employee affected by domestic abuse when working from home. We have worked to raise awareness of domestic abuse support resources with staff and the city population more widely.



**Promoting human rights:** This year our public engagement on modern slavery and human rights has included:

- delivering training to the London Heads of Procurement on Modern Slavery;
- collaborating with the Local Government Association (LGA) on their Modern Slavery and sustainable procurement guidance;
- participating in a focus group discussion with the UK Home Office and LGA on how implementation and effectiveness of the Modern Slavery Act could be improved;
- collaborating with the Business, Human Rights and Environment (BHRE) Group on international uptake of the United Nations Guiding Principles on Business and Human Rights;
- supporting the UK Bill that would see the Modern Slavery Act expanded to include requirements for public authorities.

# Highlights

The City of London Corporation values the rich diversity and creative potential people with different backgrounds, skills and abilities bring to the community and workplace. Equality of opportunities is engrained in our core values and we actively seek to treat our communities and employees fairly and with dignity and respect. We will not tolerate unfair treatment on the grounds of a persons protected characteristics.

**Social Mobility Strategy:** Implementing our Social Mobility Strategy 2018-28 has driven significant work to ensure equal opportunities in our own operations, in the Square Mile and more widely in the sectors we operate in and for the first time this year we have made it into the top 50 of the Social Mobility Employers Index.

**Bridge Group Research:** The City Corporation has supported research undertaken by the Bridge Group to explore whether and how socio-economic background (SEB) affects performance and progression in financial services and how there are intersections between this aspect of diversity and other aspects, in particular ethnicity and gender. As part of this work, social mobility within the City Corporation was also analysed.

**City Bridge Trust:** Our charitable arm, City Bridge Trust, gave £31.5M over 2019/20 to charities such as Money4You which helps improve young people's financial literacy and help charities navigate the often-complex funding maze and Entitled Ghyama Arts, which is being delivered with the Bangladeshi Parents and Carers Association and will cater for adults with disabilities including Down's Syndrome, Cerebral Palsy and learning disabilities.

**Procuring with impact:** City Procurement continues to assess bidders for all relevant tenders on the work-related opportunities they will provide as part of their social value offering. Suppliers should offer placements for work experience, trainees, apprentices, paid interns or other job ready schemes, as best suits their size and business model, so as not to create barriers to SMEs. We ask bidders to target their recruitment towards people residing in areas of higher deprivation or towards those recognised as being part of socially excluded groups, to help improve social mobility.

**Financial Skills Services Commission:** January 2020 saw delivery of the final report of the Financial Services Skills Taskforce that we had been a working partner on since 2018 and it led to the launch of the new Financial Skills Services Commission, which we are actively supporting. This is focusing on the following priorities:

- 1.reskilling, upskilling and retraining staff while protecting and expanding employment in key regional and national financial centres
- 2.creating a sector-wide future-skills framework linked to an accreditation programme
- 3.attracting, motivating and retaining the widest and deepest pool of talent
- 4.promoting diversity, inclusion and progression by identifying structural issues

## Equal Opportunities



### Teams working on this priority area

- Human resources
- Innovation and Growth
- Procurement
- Corporate Strategy & Performance

# Highlights

## Tackling Racism Taskforce:

At the end of last year we became signatories of the Business in the Community's (BITC) Race at Work Charter to show our commitment to prioritise action on race. In April this year we became members of BITC Race Campaign and in June following the murder of George Floyd and the BlackLivesMatter Movement that opened up conversations about Race and the structural problems that racism incites, a Tackling Racism Taskforce was launched. The aim of which is to identify what action the organisation can take to tackle racism in all its forms. So far this had led to several work streams being developed associated with staffing, culture, internal governance, education, police, health and wellbeing and business.

## Diversity Networks:

Our six staff diversity networks have grown and continue to provide our employees with different protected characteristics an active and collective voice. The networks have significantly expanded this year to 915 members. There have been many obstacles facing the networks this year, but they have risen to challenge with one of the stand out initiatives being the Women's Inclusivity Network's monthly Pipeline to Success webinars covering topics including role models, intersectionality which enabled collaborative working with the BAME and City Pride network and the real impacts of career breaks that have engaged nearly 100 staff.

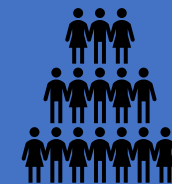
## Attracting diverse talent into Financial Services

In partnership with the Chartered Institute for Securities and Investments, we have provided over 80 places on the Level 2 Fundamentals for Financial Services course(external link). The programme increases the pipeline of diverse candidates into the financial services sector, and is targeted at year 12 students from local schools. Following the qualification, students are offered a place on Investment 2020's(external link) Think Investment's employability programme.

**Supporting LGBTQ+** In 2019, we joined the Stonewall Diversity Champions Programme, and made our first submission to the Workplace Equality Index. Following feedback, a task and finish group was established to identify areas for action and drive our improvement. Virtual Pride week proved a success with our widest reach and engagement to date between intranet campaigns and infographics on gendered language a quiz, a Pride network video and daily activities



# Diverse Organisations



## Teams working on this priority area

- Human resources
- Innovation and Growth
- Procurement
- Corporate Strategy & Performance

## Outcome 2: The Planet is Healthier

Reduce our environmental impact across all our operations while increasing our positive impact through cleaning, greening, advocacy and influencing

### In our organisation:



**4.1%** year on year reduction to our energy consumption and **100%** renewable energy procured



**128 MWh** of renewable electricity generated on site



**10** staff trained to be Circular Economy champions



**6%** reduction in flood claims for City Corporation Assets and **34** SuDS schemes assessed

### In the Square Mile and beyond:



**123%** increase in the area of the City (excluding the buildings) achieving the legal limit of NO2.



**1200** sqm of green roofs added to the Square Mile



**1,500kg** of e-waste avoided through tech takebacks



**36 Million** items of Single Use Plastic were cut by firms taking part in our Plastic Free City scheme

## Air Quality



Improving Air Quality in the Square Mile and across London has been an on-going priority for the City Corporation. The annual compliance data for 2019 showed a year-on-year 123% increase in the area of the City (excluding the buildings) achieving legal limit of NO<sub>2</sub> with substantial additional reductions in concentrations seen during and post lockdown and recovery.

### Air Quality Strategy:

We formally adopted our new ambitious Air Quality Strategy (2019 -2024) that commits us to reaching 90% NO<sub>2</sub> compliance by 2025 and rapidly achieving WHO particulate compliance.

### Beech Street:

We launched Beech Street in March as London's first 24/7 zero emission street. We have introduced experimental traffic changes on Beech Street to make it the UK's first 24/7 zero emission street. Throughout the experiment, only zero emission vehicles, pedestrians and cyclists are allowed through Beech Street.

### Sharing:

We organised a range of knowledge sharing events, including on:

- using procurement in the public sector to reduce emissions of air pollutants.
- best practice webinar for City businesses.
- National webinar on dealing with emissions from generators.
- Idling enforcement workshop for London boroughs.
- Air Quality best practice sharing for London boroughs.

### Legislative impact:

We sponsored the Emission Reduction (Local Authorities in London) Bill, backed by London Councils and introduced to the House of Lords by Lord Tope in January 2020. We are contributing to the Government's Environment Bill.

**Anti-idling:** We commenced the London-wide idling action project, that we are jointly leading with the London Borough of Camden, on behalf of the remaining 30 boroughs. The output of the campaign so far has been:

1531 Idling action event participants

7952 Interactions with pedestrians and drivers

2399 Idling drivers switched off

22312 Children attending anti-idling assemblies and workshops



### Teams working on this priority area

- Air quality
- Responsible Procurement
- Transportation

# Highlights

## Biodiversity Monitoring:

This year we have continued our long-term work to monitor biodiversity and protect and restore habitat. Two of our sites are part of National England's long-term monitoring network (Burnham Beeches and Epping Forest), which is a programme to help with national monitoring of climate change impacts. This includes activities such as butterfly transect surveys undertaken by volunteers and facilitating National England to undertake winter soil monitoring. Other monitoring we have done this year includes grazing impact assessments and spider, dragonfly and damselfly surveys.

## Pest protection:

We have been involved in the management of the Oak Processionary Moth and development of biological non target control methods. This is progressing well and featured on a recent episode of BBC's Countryfile filmed at Hampstead Heath.

## Connecting with our Communities:

Our ecologist at Hampstead Heath worked with a group of volunteers from Heath and Hampstead Society to undertake a major bird nesting survey. The survey was innovatively done by individuals taking one hour of exercise daily outdoors during the Covid-19 lockdown. Over 3,000 records were taken of over 40 breeding bird species and the data mapped to allow for further analysis.

## Incorporating Biodiversity into our operations:

The City of London Housing Design Guide which includes the requirements to promote biodiversity has been completed and endorsed by the COL Housing Sub Committee. The Housing Design Guide is now being implemented on all major social housing developments commissioned by the City Corporation. This includes requirements such as 'Bio-diverse roofs must be provided to at least 80% of the available roof area' and 'Include visible interventions to promote habitat inclusion to residents'.

## Nature education:

During lockdown we launched an online initiative to get children and families learning about nature – even without access to a garden. The project involved fun, nature-focused activities that promote learning through informative videos, craft activities and hands-on exploring which schools and families can then do themselves – for example how to do a bug hunt or to make a bird feeder. Activity worksheets and videos were sent to over 800 London schools, with teachers sharing the activities with the children at school and those at home.



# Biodiversity



## Teams working on this priority area

- Open Spaces
- Planning
- Procurement
- City Surveyors
- Public Realm

## Climate Change



### Teams working on this priority area:

- Open Spaces
- Planning policy
- Procurement
- City Surveyors
- Finance
- Strategy and Performance
- Innovation and Growth

**Flooding:** We worked with the Environment Agency to develop our draft Local Flood Risk Management Strategy. We also secured funding from the Thames Regional Flood and Coastal Committee to prepare a Riverside Strategy demonstrating how the flood defences along the river Thames can be raised to protect the City from rising water levels as a result of climate change.

**Sustainable Urban Drainage Systems (SuDS):** All Major development (over 1000sqm) in the City is required to produce a and Drainage Plan showing how the development has been designed to reduce rainwater runoff. This year we assessed a record 34 schemes. Since April 2015, the City Corporation has approved the equivalent area of about 3 football pitches within the Square Mile for SUDs. This equates to a flood water holding capacity of 510 l/s or the equivalent of every flat in the Barbican running a tap.

**Energy Efficiency:** Our ongoing work to the improve the energy efficiency of our estate has had positive results this year with a 4.1% reduction in energy consumption. Overall, we have reduced energy consumption by 17.7% since our 2008/09 baseline. Improvements in Building Energy Management Systems strategies and daily monitoring led to an annual reduction of 22% at Smithfield Market. At the Central Criminal Court, an annual reduction of ~12% in energy usage was achieved by working with the site FM to modify existing heating and implement new control system strategies. A new LED Streetlighting scheme throughout the City lead to an overall annual 13% reduction in energy consumption.

### Climate Action Strategy:

In Autumn 2020, we formally adopted the City of London Corporation's Climate Action Strategy, which has committed us to:

- Achieve net zero carbon emissions from our own operations by 2027 (scope 1 &2)
- Achieve next zero carbon emissions across our investments and supply chain by 2040 (scope 3)
- Support the achievement of net zero for the Square Mile by 2040
- Invest £68m over the next six years to support these goals of which £15m dedicated building the climate resilience of the Square Mile and our assets

Significant effort was involved in developing a robust evidence base, including the footprinting of our value chain and financial investment (scope 3). This evidence guided our strategy for reaching net zero while following the SBTi (Science based targets initiative) methodology and puts a plan in place to address our scope 1, 2 and 3 emissions. Scope 3 emissions, while hard to treat, are crucial to address in order to achieve the impact we are all working towards.

Our approach for building resilience followed an adaptation pathways approach, which enables the necessary flexibility in action to a range of potential climate futures. The Strategy is accompanied by a fully funded action plan.

## Reducing Waste and Improving Circularity



### Teams working on this priority area

- Waste and recycling
- Procurement
- Internal communications
- Facilities management

**Reducing Waste:** This is the first full year that our new waste and recycling contractor, Veolia, has been operational. This change of contract led to a 46% reduction in fleet operational emissions, saving an estimated 306 tonnes of CO2e. Our Recycling Team are working on projects to improve household reuse and recycling including improving facilities on both Golden Lane and Mansell Street estates, installing reverse vending machines, food waste minimisation advice and updating leaflets and signage.

**Tech Takeback:** The City Corporation Recycling Team, in partnership with SONECS, hosted a series of pop-up tech takeback events which engaged with 156 people and received over 900 tech items, helping to avoid over 1.5 tonnes of e-waste. The intention is to donate the tech to charities and the local community, with 10 laptops earmarked for people in need during Get Online Week.

**Journey towards becoming Single-Use Plastic Free:** Covid-19 has proved challenging in our aim to make the City Corporation single-use plastic (SUP) free by 2021 with the rise of single-use PPE and many venues no longer accepting reusable items. Until winter 2019/20, the focus was on making our Guildhall (head office) and Mansion House sites SUP free. In early Spring our focus expanded to our other 50 operational sites with the first SUP audits commencing in February, before they were put on hold due to Covid-19. Once sites re-opened and established Covid-secure operations, online self-audits were developed that will help guide each site to remove single use plastics and to procure 'greener' items.

**Improving Circularity:** This year the City Corporation has continued to expand our waste reduction and recycling work to focus on promoting the circular economy. We are doing this by:

- Upskilling Staff - 10 staff were certified by Circular Economy Club in Principles & Business Models in a Circular Economy giving us the highest level of certified staff of any UK local authority.
- Establishing a regular cross-departmental group made up of operational, planning and procurement staff focused on embedding the circular agenda.
- Introducing a category in our Clean City Award Scheme (and business network) on 'Resources and the Circular Economy'.
- Targeting a minimum of 90% waste diverted from landfill and averaging between 93% and 98% on our construction sites.

**Circular Façade:** Drink cans put in the recycling bins by residents and businesses will soon become part of the City landscape in an innovative project to refurbish a building next to the Thames. Planning permission was granted for a five-storey living wall using approximately two metric tonnes of recycled aluminium and 1.5 tonnes of compost, made from recycled garden waste.. The project is the culmination of work between the City of London, Veolia UK and Red Squirrel Architects to design a building representing circular economy principles and the important role recycling plays in protecting the environment







# Working in Partnership

The City of London Corporation has a reach that extends far beyond the Square Mile – spanning the private, public, and charitable and community sectors. At this time of great uncertainty and change, the growing threat of climate change, persistent inequality and the impact of Covid-19, it is more important than ever for different sectors to collaborate seize the opportunities that these challenges present.

We have found ways to continue to support, connect and celebrate Square Mile businesses on their journey this year. Some examples of this are highlighted below





## Looking Ahead to Year 3

### Impact Investing Institute

We have worked to help ensure that London and the Square Mile remains a leader for green and socially responsible investment. This year we supported the launch of the Impact Investing Institute (III) dedicated to raising awareness of, addressing barriers to, and increasing confidence in investing for impact. In the first year, the III launched a paper on fiduciary duty and good governance principles aimed at helping pension trustees become more comfortable with impact investing and has also developed a proposal for a Green+ Gilt, which would demonstrate UK leadership in the sovereign bond space.

### Managing our investments responsibly

We continued our commitment to being a responsible investor. This year we submitted our second disclosure to the UN's Principles of Responsible Investment that showed year-on-year improvement. As a small asset owner, our assets are managed by a selection of specialist advisors, whom our Board frequently engages with to manage ESG performance.

This year our annual Stewardship Review focused on the preparedness of our managers to become signatories to the new UK Stewardship Code 2020. This formed the basis for adopting our new Stewardship Plan in September 2020.

### Footprinting our investments

When developing the Scope 3 emissions baseline for our Climate Action Strategy, we took a deep dive into the carbon footprint of our financial investments looking at the associated Scope 1, 2 and 3 footprints of these. This led us to make a commitment to have the majority of our investments Paris-aligned by 2040 by pursuing an active, climate-risk based approach.

While acting responsibly towards our staff, residents, businesses and wider society during the on-going Covid-19 pandemic remains our top priority, Year 3 will also focus on:

- Building back better as an organisation and the Square Mile, working towards a green and fair recovery.
- Continuing on-going work to implement the associated corporate strategies including Climate Action, Social Mobility and Air Quality; and developing updated strategies for Circular Economy and Biodiversity.
- Implementing the recommendations of our Tackling Racism Taskforce.
- Increasing responsible investment by co-hosting the UK's Green Horizons summit and developing a new responsible investment policy that reflects our climate ambitions.
- Engaging the City Corporation's supply chain and working closely with the top 25 suppliers on improve carbon reduction, circular economy, modern slavery performance.
- Addressing health inequalities by convening high-profile visibility on this subject to encourage firms to consider the health and wellbeing needs of routine and manual ("hidden") workers within their recovery plans.
- Working across all operational sites to meet the City Corporation's plastic free commitment in 2021.
- Embedding the UN SDGs into strategy development, implementation and reporting processes and use our influence to encourage other businesses to similarly engage.



# Appendix A: Summary of Responsible Business Strategy

## Executive Summary

We are in an era when organisations are asked to look beyond their economic impact and consider the way in which they create positive social and environmental value. As an organisation with private, public and charitable and community sector responsibilities, and significant capabilities and commitments, we are well placed to role-model responsible business practices across all of our activities and spheres of influence.

This strategy sets our commitment to responsible business and how we will fulfil it, and is set within the framework of our Corporate Plan for 2018-23. We commit to embedding responsible practices throughout our work to take us towards a sustainable future.

To become a more responsible business, we will need to build on our strengths and learn from others along the way. We will champion what we are currently doing well, celebrating for example our role in conservation, philanthropy and responsible procurement. Implementing this strategy will provide us with more examples of change and impact to share internally and externally. By sharing our progress, impact and learning, we aspire to be a responsible business role model to other similar organisations.



### Our commitment

We are committed to creating positive impact and reducing negative impact across all our activities and decisions, because it is the right thing to do and will help ensure a sustainable future.

### We will achieve this by...

Focusing our efforts on:

- Impact achieved in pursuit of our core purpose, how we deliver our operations and how we procure our resources.
- Impact achieved through our advocacy and role-modelling to others.

Conducting ourselves in the most ethical and responsible ways possible, by using responsible business practices through our every day work and decision making.

- Engaging our employees
- Using our convening power
- Connecting our communities
- Ensuring transparency
- Championing responsible investment
- Leading responsible procurement
- Preventing bribery, fraud and corruption
- Promoting human rights

### To create a future where...

#### Individuals and communities flourish

Create and champion equality, diversity and inclusion across our organisation and networks; and safeguard people and communities from social issues impacting London, by focusing on:

- People's wellbeing
- Equal opportunities
- Diverse organisations

#### The planet is healthier

Reduce our environmental impact across all our operations while increasing our positive impact through cleaning, greening, advocacy and influencing, by focusing on:

- Air quality
- Waste
- Plastics and packaging
- Climate change
- Biodiversity

### Resulting in...

An organisation that makes the right decisions  
 An organisation that works collaboratively and innovatively to achieve positive impact  
 An organisation that is trustworthy  
 An organisation that leads the way in responsible business

### Corporate Plan 2018-23 links

This strategy is one of the main mechanisms for delivering Outcome 5: Businesses are trusted and socially and environmentally responsible. It also directly supports the achievement of Outcomes 1, 2, 3, 4, 8, 11 and 12.

# Appendix B: KPI Reporting: Outcome 1

Theme	Measure	2019/20 Value	Change from previous year
Diversity	% of women in Grade G and above roles	36%	^
	Gender Pay Gap (%)	5.50%	^
	BAME Pay Gap (%)	19.70%	^
	Disability Pay Gap (%)	7.90%	^
	# of (active) employees in staff diversity networks	915	^
	Numbers of Finance Firms signed up to Women in Finance Charter	382	^
Equal Opportunities	# organisations benefitting from CBT funding	367	^
	Value of philanthropic activity delivered by the City Corporation.	£ 31,451,468	^
	# apprenticeships offered within the City of London Corporation	143	^
	# of work experience placements within the City of London Corporation	97	*
	Number of staff members using Levy funds to enhance training	51	*
	Number of staff volunteering or involved in community activities in the last 12 months	82	^
	Number of volunteering hours across City Corporation in the last 12 months	603	^
	Social Mobility Employer Index Ranking (City Corp)	50	^
	# of businesses in the Square Mile LWF Accredited	260	*
Wellbeing	% of staff reporting good work life balance	69%	^
	FTE lost due to mental health related sickness absence	24.13	^
	FTE lost due to physical health related sickness absence	76.71	^
	% of managers who have completed mental health training	30%	^.
	Increase membership and participation in 'Business Healthy' - # of registered organisations	894	^
	Increase membership and participation in 'Business Healthy' - # of individuals subscribed	1764	^
	# of suppliers engaged with to establish Modern Slavery due diligence procedures and continuous improvement targets	0	v
	% spend on high risk contracts covered by Modern Slavery due diligence requirements	73.80%	v

^ Improved year on year performance  
v Decreased year on year performance

- No change y.o.y, but target met  
- No change y.o.y, and target not met

\* First year data has been recorded

# Appendix B: KPI Reporting: Outcome 2

Theme	Measure	2019/20 Value	Change from previous year
Air Quality	% area of the City achieving legal limit of NO2	67%	^
	% reduction in NO2 from the previous year	-17%	^
	% electric/zero emission capable vehicles in corporate fleet	14%	^
	# of environmental-related parliamentary bills directly influenced by the City Corporation	2	*
	# and types of environmental partnerships joined and influenced	46	*
	# of businesses applying for air quality and climate action category in CCAS	21	*
Biodiversity	% of sites with SSSI that are 'favourable' or 'unfavourable recovering'	80%	-
	Sqm of green roofs in the City (aggregate)	54,500	^
Climate Change	City Corporation's Scope 1 & 2 Emissions (tCO2e)	35,857	^
	London's position in the Global Green Finance Index	3 (Quality)	v
	Amount of renewable energy generated (kWh)	128,251	^
	% reduction in energy used –internal (2018 Baseline)	-9.6%	^
	Annual energy savings realised (kWh)	16,372,324	^
	# of reported flooding incidents in the Square Mile	0	^
	# of flood claims for City Corporation assets	34	^
	# SuDS schemes assessed	34	^
	% renewable electricity procured	100%	^
Plastic & Packaging	# single use plastics reduced by businesses	36,000,000	*
	% of CoL sites that are SUP free	0	-
	# of CCAS Members with that are SUP free	0	*
	# of businesses as part of the Plastic Free City	109	^
	# of businesses applying for plastic category in CCAS	30	^
Waste	Residential annual household waste per household	411	^
	% Recycling rate at CoL managed operational sites	41%	^
	# of Clean City Award Scheme Members	107	v
	Number of transactions on Warpit	15	v

^ Improved year on year performance

v Decreased year on year performance

- No change y.o.y, but target met

- No change y.o.y, and target not met

\* First year data has been recorded