

The City of London Corporation's Climate Action Strategy 2020-2040

**Draft 0.5
August 2020**

Who we are

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally-successful UK.

The Square Mile is the historic centre of London and is home to the ‘City’ – the financial and commercial heart of the UK. Our reach extends far beyond the Square Mile’s boundaries and across private, public and charitable and community sector responsibilities. This, along with our independent and non-party political voice and convening power, enables us to promote the interests of people and organisations across London and the UK and play a valued role on the world-stage.

What we can do

In the context of climate action, this means we can support the achievement of net zero¹, build climate resilience and champion inclusive and sustainable growth to achieve a truly sustainable City. We will do this by means of the following actions that we committed to in our [Corporate Plan, 2018-23](#), against which we drive our performance. We will...

1. Build climate resilience by...

- Building resilience to natural and man-made threats by strengthening, protecting and adapting our infrastructure directly and by influencing others.
- Protecting consumers and users of buildings, streets and public spaces.
- Preparing our response to natural and man-made threats.

2. Support the achievement of net zero by...

- Influencing UK and global policy and regulation and international agreements to protect the environment.
- Providing environmental stewardship and advocacy, in use of resources, emissions, conservation, greening, biodiversity and access to nature.
- Providing thriving and biodiverse green spaces and urban habitats.
- Providing a clean environment and driving down the negative effects of our own activities.

3. Champion sustainable growth by...

- Providing world-class spaces for businesses and markets to thrive.
- Modelling new ways of delivering inclusive and sustainable growth.
- Supporting organisations in pioneering preparing for and responding to changes in regulations, markets, products and ways of working.
- Supporting, celebrating and advocating for responsible practices and investments.

¹ See Glossary on Page 6

Why us, why now?

[Foreword - To be finalised post approval by RASC and edited by comms team prior to seeking approval from the appropriate Members.]

The City of London Corporation's core purpose is to promote the long-term interests of the City and thereby support the UK's economy. We have long been champions of sustainability – playing a key role in bringing in the Clean Air Act 1956, as the first local authority to develop a climate change adaptation strategy in 2010 and, more recently, supporting the growth of the UK's green finance sector.

Scientific evidence tells us the climate is already changing and that we need to act now if we are to limit global warming to 1.5 degrees and thereby avoid the more extreme effects of climate change. This means we need to commit to achieving net zero and to ensuring the Square Mile, and our assets outside it, are resilient to more extreme weather events. Acting now is key both to securing and advancing our market position globally as a financial centre and to ensuring the competitiveness of our buildings, investment properties and public spaces as attractive places to work, live, study and visit, both now and in the future.

It is not the case that we need to compromise the economy to fix the environment - in reality, climate action will drive growth and jobs. Now, in order to remain relevant and be commercially viable, we need to be responsible and resilient. What used to be 'green finance' is fast becoming the only option for the financial and professional services sector.

Founded on science-based targets, rather than simply a call to action, our Climate Action Strategy aims to ensure the Square Mile and City Corporation make a positive contribution to tackling climate change, are resilient to the risks it poses and seize the opportunities presented by the transition to a net zero economy.

This is one of the defining cross-City Corporation policy approaches supporting delivery of our Corporate Plan, 2018-23. But we cannot do this alone. This strategy sets out how we will work in partnership with City stakeholders to develop the solutions to tackle climate change and build back better following the pandemic, making sure no one is left behind.

We invite you to work with us as we adapt our physical and financial assets so that our society can flourish for decades to come.

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[Insert photo and signature]

The Rt Hon. The Lord Mayor,
Alderman William Russell

Catherine McGuinness
Chair of the Policy & Resources Committee

Introduction

This document sets out the City of London Corporation's Climate Action Strategy for 2020-2040. This work is integral to achieving the economic, societal and environmental outcomes described in the Corporate Plan, 2018-23, and will underpin all decision-making at the City Corporation from 2020 to 2040.

It has been developed to comply with the latest climate science necessary to meet the goals of the Paris Climate Agreement (2015)² and meet our obligations under the UK Climate Change Act (revised 2019), which has enshrined in law both a target of net zero emissions by 2050 and measures for climate adaptation (improved resilience). It is complementary to London-wide and national efforts to reduce emissions and improve resilience of our communities and urban spaces. Crucially this includes the draft London Plan, GLA London City Resilience Strategy 2020, the London Councils' Leaders' commitment to a 'green recovery', the UK Committee on Climate Change, Climate Risk Assessment 2017 and National Adaptation Programme, as well as the landscape of policies set out by government.

In this way it sets us up to play our part globally, to help the UK reap the benefits of transitioning to a low-carbon economy, to address risks to the Square Mile and the City Corporation and to achieve better outcomes for people and business.

Clearly, we cannot do this alone. We must demonstrate robust climate action ourselves and share our methodology with, and learn from, others on this journey. So, in developing this strategy, we have focused on achieving best practice with our evidence-based approach, the range of physical risks and the breadth of emission sources we will address.

Our evidence-based approach

This strategy brings together numerous related City Corporation strategies, policies and campaigns – from our Local Plan and Responsible Business Strategy through to our Clean City Awards – and builds on the momentum, progress and lessons learned so far. See the 'Our baseline' section for more information on achievements to date.

To understand how far we had come already and what is left to do, we commissioned experts to investigate our current and future resilience levels, carbon emissions and capacity for removing carbon from the atmosphere. We followed the leading global standards and best-practice guidelines in developing our approach.

We explored resilience risks with the sectors and organisations that our economic growth is built upon, from utilities and transport providers through to financial and professional services and our cultural sector. Together, we identified what is needed for the Square Mile to continue to compete successfully in the face of climate change. And we asked the public how important climate action is to them, what they would like to see happen and what they would be willing to do themselves. Three-quarters of respondents said climate change should be extremely important to us. Together, this provided the evidence base upon which we built our action plan and the data we need to set and track stretching but reachable targets, and test and learn as we go. It also means that rather than picking one date as our net zero target, we

² See Glossary at Page 6

have identified separate targets for the Square Mile, the City Corporation and types of emissions.

The breadth of emission sources we will address

Many organisations and authorities focus on driving down the emissions they have most control over – scope 1 and 2. Addressing scope 3 can be daunting as it covers everything an organisation buys, sells, invests in, leases to others and disposes of as well as commuting and business travel. But for organisations and financial centres like ours, scope 3 makes up a large portion of the total carbon footprint – and measuring it can lead to the design of innovative solutions to lower carbon emissions significantly.

We have included scope 1, 2 and 3 emissions to take ownership, show leadership and to illustrate how others can make this standard practice. This can make it appear that we are larger emitters than our comparators that have not included as full a picture of scope 3 in their data. We will continue to enhance our understanding of scope 3 data with our partners and keep pushing for standardisation of reporting to ensure everyone addresses their total carbon footprint effectively.

Whatever action we and others take, we still need to prepare for hotter drier summers, warmer wetter winters, more frequent extreme weather events and rising sea levels. As we do this, we will go beyond mitigation and seize opportunities to make positive changes that mean that everyone benefits from climate action.

[Here we will use an infographic showing how risks can become opportunities:

- Risks to health, wellbeing and productivity from high temperatures
 - Risk of shortages in the public water supply
 - Flooding of communities, businesses and infrastructure
 - Risks to ³natural capital, including terrestrial and freshwater ecosystems, soils and biodiversity
 - Threats to food production and trade
 - New and emerging pests and diseases, and invasive non-native species, affecting people, plants and animals.
-
- Fewer people living in fuel poverty
 - Benefits to health, wellbeing and productivity from climate action
 - More and better space for people and nature, and biodiversity
 - A resilient global business environment in the face of climate impacts
 - Benefits over other global financial centres which will face more extreme challenges
 - Job creation
 - Reductions in insurance premiums and support for the City's Insurance sector
 - Reduction in unnecessary use of resources (water, food) and generation of waste and use of natural capital (greening rather than air con to reduce temperatures)]

³ See Glossary on Page 6

Glossary

BASIC+ emissions include those from within the Square Mile from stationary energy, transportation and waste, as well as transboundary transportation, industrial processes and product use and the agriculture, forestry and land use sectors. It does not include emissions from investments.

Carbon removal is the process by which a **carbon sink**, such as forestry, reduces the amount of greenhouse gases in the atmosphere.

Circular economy principles means keeping resources in use for as long as possible, extracting the maximum value from them whilst in use, then recovering and regenerating products and materials at the end of each service life.

Climate resilience is the ability to anticipate, prepare for and respond to hazardous events, trends or disturbances related to climate. (Centre for Climate and Energy Solutions)

Ecosystem services are benefits to humans from the natural environment and from healthy ecosystems.

GHGs means greenhouse gases - the emissions responsible for global warming.

ktCO₂ is the unit of measurement for GHG emissions. It standardises greenhouse gases into units of kilo-tonnes of carbon dioxide equivalent (ktCO₂e).

A **low-carbon economy** is simply an economy that causes low levels of GHG emissions compared with today's carbon-intensive economy. 'Carbon' refers to carbon dioxide, the GHG which contributes the most to climate change. The low-carbon economy can be seen as a step in the process towards a zero-carbon economy. (Science Direct)

Natural capital refers to the stock of natural resources, which includes geology, soils, air, water and all living organisms.

Net zero emissions is a state where annual residual GHG emissions are completely cancelled out through offsetting or removed through carbon dioxide removal or emissions removal measures. It is also referred to as carbon neutrality. (C40 Cities Climate Leadership Group, Defining Carbon Neutrality for Cities & Managing Residual Emissions, April 2019)

Science-based / Paris-aligned (Science-Based Target Setting Manual, April 2020) GHG emissions reduction targets are considered "science-based" if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Climate Agreement 2015 - to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

For an organisation: (Carbon Trust definitions)

Scope 1 means direct emissions from owned or controlled sources

Scope 2 means indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company

Scope 3 means all other indirect emissions that occur in a company's value chain

For a city:

Scope 1 means direct emissions from within the geographical boundary

Scope 2 means indirect emissions from within the geographical boundary

Scope 3 means all other direct emissions from outside the geographical boundary

Our baseline [using mainly infographics]

Supporting the achievement of net zero

The City Corporation has achieved a 19% reduction in energy consumption within our operational sites since 2008 (using data from 2018/19) and since 2018 100% of the electricity we have purchased has been renewable.

We bought six new electric vehicles and eight new hybrid vehicles in 2018/19 and installed 20 new electric vehicle charging points as part of the City's "Transition to a Zero Emission Fleet" policy.

The Square Mile has achieved a 55% reduction in Scope 1 and 2 emissions since 2008 (using data from 2018/19). This has been assisted by our ambitious planning requirements which have led to 75% of new commercial developments with over 20,000m² floorspace achieving at least a BREEAM 'Excellent' rating since 2014.

Where the City Corporation's emissions come from

Where the Square Mile's emissions come from

How we remove carbon from the atmosphere

We look after over 11,000 acres of green spaces across London and its green belt. This equates to approximately 5,500 football pitches. This natural capital not only provides valued space for people and nature but also currently removes **416 ktCO₂ per year**. This is equivalent to 40% of the City Corporation's scope 1 and 2 emissions.

Building resilience

The City Corporation has long used its planning powers to implement a range of resilience measures in the Square Mile. These include green roofs, urban greening, landscaping, flood resilience and climate resilient new buildings.

As of 2020, the Square Mile has 42,600m² of green roof, up from 11,200 m² in 2005. This is set to increase to 65,800m² by 2024 through planning permissions in the current pipeline.

Championing sustainable growth

The UK is the only global financial centre that is also a leading centre for green finance, topping both conventional and 'green' rankings. UK market players are most committed to sustainable principles and the regulatory context is both favourable and innovative. The London Stock Exchange is the 'greenest' main stock exchange across all global financial centres and the UK is best placed to produce talent that is trained and skilled in sustainability matters.

⁴ See Glossary on Page 6

Our climate vision, aims and goals

Our vision

The City of London is competitive, sustainable and resilient.

Our aims

- 1) To support the achievement of net zero
- 2) To build climate resilience
- 3) To champion sustainable growth.

Our goals

For the City of London Corporation

- A. City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040.
- B. The City of London Corporation and its assets are resilient to climate change.
- C. The City of London Corporation influences UK and overseas organisations to become climate responsible.

For the Square Mile's fabric and function

- D. The Square Mile's scope 1, 2 and 3 emissions (BASIC+ definition) are net zero by 2040.
- E. The Square Mile's buildings, public spaces and infrastructure are resilient to climate change.

For society

- F. People in the Square Mile and beyond benefit from a cleaner, greener and safer environment and job creation.

The first 5 years

Reinforcing and building on the commitments we made in our [Corporate Plan \(2018-23\)](#) to make sure we're doing all we can to reach our goals, we commit to:

- Identifying measurable targets to track performance against our goals
- Keeping our actions and targets in line with changing legislation and recommendations, for example from the Intergovernmental Panel on Climate Change, the Committee on Climate Change and the UK Government
- Working with our stakeholders and partners and listening to their ideas, experiences and views
- Ensuring that vulnerable groups who are most likely to be impacted by climate change are prioritised in our decision making
- Accessing the best evidence of our impact possible so we can learn and hone our actions as we go
- Reporting publicly to our committees and via published annual reports and
- Reviewing and refreshing the action plan every five years and re-baselining regularly.

The actions and targets set out below therefore only relate to the first five years of the strategy – **up to the end of March 2025**.

To support the achievement of net zero

| Our goals are... | Actions we will take are... | We will assess our impact by measuring... |
|---|---|---|
| <p>B. City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040.</p> | <p>Transform the energy efficiency of our operational buildings through the adoption of best available technologies</p> <p>Maximise the use of renewable energy sources across our operational buildings</p> <p>Introducing new land management practices across our open spaces aiming to maximise their ability to remove carbon, and optimise their biodiversity and resilience value</p> <p>Aligning our financial investment portfolio with the goals of the Paris Agreement on climate change</p> | |

| | | |
|---|---|---|
| | <p>Embedding circular economy⁵ principles into our capital projects using life cycle carbon and cost assessment techniques</p> <p>Accelerating the move to net zero carbon and energy efficient tenanted buildings, working closely with tenants to achieve shared goals</p> <p>Strengthening our supplier engagement to drive performance and innovation in delivering low carbon, sustainable products and solutions</p> | |
| E. The Square Mile's scope 1, 2 and 3 emissions (BASIC+ definition) are net zero by 2040. | <p>Working with businesses and organisations to develop collaborative solutions to improve the energy efficiency of buildings in Square Mile</p> <p>Developing a Square Mile renewable energy strategy to support others to transition to renewable energy.</p> <p>Using our planning role to influence others to embed carbon analysis and circular economy principles in capital projects</p> <p>Advocating for the importance of green spaces as natural carbon sinks, and their contribution to biodiversity and overall wellbeing</p> <p>Supporting organisations in the Square Mile to build circular, low-carbon and resilient supply chains</p> | <p>Tonnes of carbon is removed from the atmosphere</p> <p>Percentages of low-carbon and circular buildings in existing stock and new builds</p> <p>Percentage of Square Mile businesses committed to transition to low-carbon</p> |

To build climate resilience

| Our goals are... | Actions we will take are... | We will assess our impact by measuring... |
|---|--|---|
| A. The City of London Corporation and its assets are resilient to climate change. | Build on our existing work to develop an early warning system, and clear resilience strategies for pests and diseases across our ports and markets, driving down the climate related food security risks | |

⁵ See Glossary at Page 6

| | | |
|--|--|--|
| | <p>Embed resilience measures into our upgrade plans for our owned and operated buildings</p> <p>Upskill our workforce on climate resilience and embed a climate resilience lens into all our decision making</p> | |
| <p>D. The Square Mile's buildings, public spaces and infrastructure are resilient to climate change.</p> | <p>Make the Square Mile public realm more climate change ready through adding in more green spaces, flood resistant road surfaces, adaptable planting regimes and heat resistant materials</p> <p>Reduce the risk of flooding through developing sustainable rain and surface water management policies, resulting in a connected system of water recycling, sustainable urban draining and rainwater management measures</p> <p>Strengthen our planning guidance on climate resilience measures for new developments</p> <p>Work with our partners to create a more climate resilient and diversified energy network across the Square Mile</p> <p>Develop a strong, data-led approach to deepen our understanding of climate related risks and mitigations across the Square Mile</p> <p>Ensuring that we continue to protect the residents, critical assets, infrastructure and heritage of the Square Mile</p> | <p>Attractiveness ratings of workers, residents, visitors and students</p> |

To champion sustainable growth

Our actions and targets build upon our Responsible Business Strategy (2018 - 23) – “Towards a Sustainable Future” and our ongoing work in supporting innovation and growth in the financial and professional services sector.

| Our goals are... | Actions we will take are... | We will assess our impact by measuring... |
|--|---|---|
| <p>C. The City of London Corporation influences UK and overseas organisations to become climate responsible.</p> | <p>Improving visibility and standards across our projects - Catalysing change across the UK real estate market</p> <p>Work with Square Mile Businesses to promote sustainability best practice</p> <p>Share best practice on standards, tools, platforms and expertise to facilitate green and sustainable investment and growth</p> <p>Support charities and SMEs to consider, prepare for lead response to climate change</p> <p>Increase engagement and communications about sustainability with residents, business, visitors and other stakeholders</p> <p>Promote responsible procurement and investment practices for both asset managers and owners</p> <p>Support and drive innovation in the UK to provide the financing solutions to address climate change</p> <p>Enhancing London’s capacity to finance sustainable investment opportunities globally including emerging markets</p> <p>Work with UK Government and the financial services sector to deploy and scale sustainable finance products and services that countries and corporates need to help them transition to low-carbon.</p> <p>Improve the transparency and global standardisation of sustainability</p> | <p>Value of green and sustainable bonds issuance & trading at London Stock Exchange</p> <p>No. of firms reporting in line with TCFD principles</p> <p>Signatories to PRI</p> <p>London Stock Exchange sustainability disclosure rate</p> <p>Z/Yen’s latest Global Green Finance Index report</p> <p>Number of new products which consider environmental and social factors</p> <p>Jobs created and size of investment in UK green tech sector</p> <p>Comparison of take up of technical products and services with other financial centres</p> <p>Investment levels and growth figures in businesses that have transition plans in place</p> <p>Growth in businesses transitioning to net zero.</p> |

| | | |
|--|---|---|
| | <p>reporting through influencing and supporting the delivery of technical solutions to increase comparability of data and ease of reporting.</p> <p>Share learning and best practice about challenges opportunities of our net zero journey</p> <p>Support SMEs in Square Mile to refurbish</p> | |
| <p>F. People in the Square Mile and beyond benefit from a cleaner, greener and safer environment and job creation.</p> | <p>Addressing existing inequalities and ensuring no one is left behind.</p> <p>Prepare people with jobs for the future</p> <p>Facilitate collaborative action on air pollution in London</p> <p>Reduce pollution and increase the resilience of the Square Mile</p> <p>Implement our ambitious air quality and transport strategies</p> <p>Embrace circular economy principles across our strategies and work</p> <p>Work with our creative and educational sector partners to deliver sustainable initiatives</p> <p>Enhance greening and biodiversity across our public realm and open spaces</p> | <p>NOx levels reach 90% WHO compliance by 2025</p> <p>1000 new jobs are created</p> <p>Energy performance of residential buildings improves</p> <p>Number of firms in the Square Mile engaged in Responsible Business initiatives</p> <p>Visitor satisfaction levels at Square Mile and Open Spaces</p> |