

Draft Statement of Ethical Policy - April 2023

Purpose

This statement sets out, in one document, the ethical and responsible principles and aims encapsulated in the City Corporation's plans, activities and strategies.

Ethical practice is taken to mean acting in the public interest to promote fairness and justice and advance the common good. The statement sets out the City Corporation's commitment to treating people fairly, being transparent and honest, respecting human rights and the environment and complying with the law and regulation.

Our Principles

Approach to Responsible Business

As an organisation with private, public, charitable and community sector responsibilities, we are a role-model and seek to create a positive impact across all our activities and decisions, embedding responsible practices throughout our work.

Our approach is set out in our **Responsible Business Strategy: Towards a Sustainable Future**¹ which has been embedded across the organisation. The goals set out in this strategy are delivered through:

- i) Impact in pursuit of our core purpose, our operations and how we procure our resources.
- ii) Impact achieved through our advocacy and role-modelling.

The City Corporation is committed to the following responsible business practices throughout its operations and decision making.

Using our convening power	We lend our voice and influence, as an independent and respected organisation, to highlight and advocate for responsible practices across our networks and partnerships.
Connecting with our communities	We listen to our communities and wider stakeholders, within the Square Mile and beyond, to understand the challenges they face and to include them in our planning and decision-making processes, as appropriate.
Ensuring transparency	We embrace transparency and accountability across all our work, including our governance structures and use of funds.
Preventing bribery, corruption and fraud	We actively prevent fraud, corruption and bribery in our own operations and influence our supply chain and partners to do the same.
Promoting human rights	We advocate for human rights in our decision-making processes so that people are treated appropriately and with dignity.
Championing responsible investment	We ensure that our own investments reach and exceed the standards set by United Nations supported Principles for Responsible Investment.

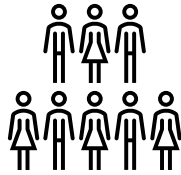
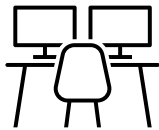

¹ [Business Strategy \(cityoflondon.gov.uk\)](https://www.cityoflondon.gov.uk/business-strategy)

Leading responsible procurement	We apply our responsible business principles to our procurement procedures to maximise social value, minimise environmental impact and strive to ensure the ethical treatment of people throughout our supply chains
Engaging our employees	We enable and empower our staff to act as a catalyst for change within the communities they live and work in.

Source: [Responsible Business Strategy](#)

Our Corporate Vision

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. Everything the City Corporation does contributes towards the achievement of 12 outcomes set out in the **Corporate Plan**².

 Contribute to a flourishing society	 Support a thriving economy	 Shape outstanding environments
People are safe and feel safe.	Businesses are trusted and socially and environmentally responsible	We are digitally and physically well-connected and responsive.
People enjoy good health & wellbeing.	We have the world's best legal and regulatory framework and access to global markets.	We inspire enterprise, excellence, creativity and collaboration.
People have equal opportunities to enrich their lives and reach their full potential.	We are a global hub for innovation in finance and professional services, commerce and culture.	We have clean air, land and water and a thriving and sustainable natural environment.
Communities are cohesive and have the facilities they need.	We have access to the skills and talent we need.	Our spaces are secure, resilient and well-maintained.

Our Commitments

United Nations Sustainable Development Goals

As an organisation with local, national, and international reach, the City of London Corporation is committed to supporting the United Nations Global Compact and in doing so working towards achieving outcomes set out in the Sustainable Development Goals (SDGs).

² [City of London - Our Corporate Plan 2018-23](#)

Our commitment to the SDGs is delivered through our policies and ongoing activities which:

- Embed relevant SDGs into strategy development, implementation and reporting processes.
- Demonstrate the actions the City Corporation is taking to achieve the SDGs, by reporting actions on SDG partnership platforms – both UK and Global
- Take part in business initiatives focused on the SDGs and use our influence to encourage other businesses to take part

Good Employer

In line with the commitments in the Responsible Business Strategy, the City Corporation:

- Is a London Living Wage Employer. All staff are paid the London Living Wage as a minimum, uprated as soon as increases are announced. The City Corporation requires all suppliers to pay staff working on our contracts the London Living Wage.
- Is a Disability Confident Employer.
- Is a signatory to the Race at Work Charter.
- Is a member of the Armed Forces Covenant.

Equality, Diversity & Inclusion³

The City of London Corporation is committed to ensuring we meet the Public Sector Equality Duties to:

- Eliminate discrimination, victimisation, harassment and other prohibited conduct under the Equality Act 2010.
- Advance equality of opportunity between different groups
- Foster good relations between groups in our communities to tackle prejudice and promote understanding.

This commitment covers our residents, city visitors, city workers, the Corporation's staff and our service users.

The Corporation is committed to equal opportunities in service provision and for all our employees.

As set out in the Equality Act 2010 (Specific Duties) Regulations 2011, the City Corporation publishes its overarching four-yearly Equality objectives on our website.

Social Mobility⁴

Our Social Mobility strategy sets out our commitment to championing social mobility both internally and with our stakeholders in the private, public, and charitable sectors across the UK and beyond

Member & Officer Conduct

³ [CoL equal-opportunities-statement-vision \(cityoflondon.gov.uk\)](https://www.cityoflondon.gov.uk/equality)

⁴ [Social Mobility Strategy, 2018-28 Potential today, success tomorrow \(cityoflondon.gov.uk\)](https://www.cityoflondon.gov.uk/social-mobility)

The City Corporation's Member code of conduct commits all Members to the *Seven Principles of Public Life*: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership

The employee code of conduct commits employees of the Corporation to give the highest possible standards of service to the public, service users, Members and colleagues and also to adherence to the seven Principles of Public Life.

Procuring Responsibly

The City Corporation uses its spending power to the benefit of our community and wider stakeholders. Through our procurement we seek to protect and enhance the health & wellbeing of people and the environment, reduce negative environmental impacts and ensure that human rights and employment rights are protected throughout the City Corporation's UK and global supply chains.

These principles are enshrined in our **Responsible Procurement Policy**⁵ which asks officers to go above and beyond our statutory duties as a local authority to deliver improved outcomes.

We have also established a Purchased Goods and Services Programme⁶ to work with our suppliers to deliver low carbon and sustainable products and services and reduce their carbon footprint.

The City Corporation is committed to working with its supply chain to:

1. Take **Climate Action** and minimise environmental impacts of procurement on our operations and throughout our supply chain.
2. Encourage and facilitate **Supplier Diversity** (Diverse Owned Enterprises and SMEs) through direct contracts, partnerships and active monitoring.
3. Embed **equity, diversity and inclusion** throughout the contract process and work with suppliers who have proven to take active steps within their own organisations, supply chain and industry.
4. **Protect human rights** in our supply chain by working with suppliers who undertake due diligence to guard against modern slavery and other human rights abuses.
5. Facilitate meaningful **work-related opportunities**, which are actively targeted to enable social mobility and inclusion.
6. Achieve meaningful **social value outcomes** according to organisational and stakeholder priorities through internal collaboration, community input and supplier engagement.

⁵ [City of London Responsible Procurement Policy](#)

⁶ [Decarbonising our purchased goods and services - City of London](#)

Tackling Modern Slavery

The City Corporation's **Modern Slavery Statement**⁷ brings together the roles, remits, commitments and all work undertaken to tackle modern slavery and human trafficking by the City of London Police, Department for Children and Community Services, Community Safety, Port Health & Public Protection, HR, City Procurement, the Barbican, City Bridge Trust and Heart of the City.

Action on Modern Slavery

Our Organisation: Prioritising our commitment at the highest level, protecting and educating staff and taking dedicated action and collaborating across the City Corporation to combat modern slavery.

Our Jurisdiction: Minimising the risk of modern slavery occurring in the City of London (or Square Mile) and on City Corporation property, referring any victims to the help they need, ensuring any perpetrators are brought to justice and helping to identify modern slavery in any place the City Corporation has a presence.

Our Domestic Supply Chain: Using responsible procurement and rigorous contract management to mitigate the risk of modern slavery taking place within our UK supply chains.

Our Global Supply Chain: Using responsible procurement and effective due diligence procedures to minimise the risks of using global suppliers who contravene human and labour rights and exploit people through modern slavery.

Action on Climate Change

We will achieve net zero by 2027 in the City Corporation's operations, net zero by 2040 across the City Corporation's full value chain and net zero by 2040 in the Square Mile. We will embed Climate resilience in our buildings, public spaces and infrastructure.

These commitments are enshrined in our **Climate Action Strategy**⁸.

Across the Square Mile we will:

Work with all stakeholder groups to accelerate the transition to net zero Support SMEs to reach net zero Invest in making the Square Mile more resilient to extreme weather and flooding.

At the City Corporation we will do this through major investment in:

⁷ [City Corporation's Modern Slavery Statement Update 2021 \(cityoflondon.gov.uk\)](https://www.cityoflondon.gov.uk)

⁸ [Climate Action Strategy 2020-2027 \(cityoflondon.gov.uk\)](https://www.cityoflondon.gov.uk)

- Improving energy efficiency at our investment and corporate properties.
- Aligning our investment portfolio with the Paris Agreement.
- Enhancing carbon removal in our open spaces.
- Protecting our shared natural resources.
- Driving net zero through our supply chain.
- Integrating climate considerations into all our decisions

Long-term, Responsible Investment

The City of London Corporation is committed to being a **Responsible Investor** and the long-term steward of the assets in which it invests. The Corporation is a long-term investor and seeks to deliver long-term sustainable returns.

It expects this approach to protect and enhance the value of the assets over the long term to support the City Corporation's long-term commitment to prosperity in London and across the UK in perpetuity. These commitments are enshrined in the Corporation's **Responsible Investment Policy**⁹.

The City Corporation:

- Is a supporter of the **Principles of Responsible Investment (PRI)**– a UN-supported network of investors working to promote sustainable investment through the incorporation of environmental, social and governance factors.
- Aims to **exercise its voting rights in all markets**. Investment managers are required to vote at all company meetings or give the Corporation notice when is not practical to do so.
- Will be looking to actively manage a **downward trajectory path on the carbon emissions** of the portfolio. Progress against reductions, Paris alignment and PRI agreements will be regularly monitored.
- Follows a **Green and Sustainable Financing Framework** – The City of London Financing Framework - provides a financing framework for our City's Cash fund that targets five environmental objectives and the related eligible project categories highlighted by the ICMA's Green Bond and establishes a framework for the selection of project categories that may be eligible for financing.
- The Corporation expects its external investment advisors and investment managers, including the London Collective Investment Vehicle (London CIV), to be signatories, and **demonstrate commitment, to the PRI** and any disclosure requirements in the jurisdictions in which they are regulated.

⁹ [City of London Responsible Investment Policy](#)

- The Corporation seeks to work with and **support the initiatives of other bodies with similar goals**, including via its investment managers and investment advisor. For example, the City of London Corporation Pension Fund is an active member of the Local Authority Pension Fund Forum (LAPFF) and the Pension and Lifetime Savings Association (PLSA). As a member fund of the London CIV, the City of London Corporation Pension Fund also collaborates within the pool to influence responsible investments.
- Recognises that **transparency and disclosure** is an important aspect of being a responsible investor. The Corporation expects transparency and disclosure from its investment managers, including reporting on engagement progress and success on climate related financial risk.
- Believes in **active ownership** in helping to realise long-term shareholder value. The City Corporation exercises its stewardship, active ownership responsibilities and status as a long-term investor to encourage responsible investment behaviour.
- Seeks to identify **sustainable investment** opportunities where aligned with its broader objectives.
- The City Corporation recognises that **Climate Change** presents a systemic and material risk. The City Corporation is committed to aligning our approach with the objectives of the Paris Agreement for a *below 2 degrees* world. It works with managers, partners and networks who are seeking to do the same.

Supporting London & our Communities

The City Corporation is the sole trustee of Bridge House Estates. Its grant making arm – the City Bridge Trust – is London’s largest independent charitable funder. Its vision is for London to be a city where all individuals and communities can thrive, especially those experiencing disadvantage and marginalisation. Its mission is to reduce inequality and grow more cohesive communities for a London that serves everyone.

Central Grants Programme

The City of London has a strong track record of charitable giving over many centuries. Together, we reach far beyond the Square Mile’s boundaries and across the private, public and charitable community sectors.

The Central Grants Team are responsible for managing the grant-making within the City Corporation, ensuring together we practise philanthropic excellence.

The Central Grants Programme has four funding areas:

- Stronger communities
- Enjoying green spaces and the natural environment

- Inspiring London through culture
- Education and employment support

Our Commitment to Justice

The City of London Police is the national lead police force for fraud and cybercrime. It investigates some of the country's most complex cases of fraud, sets the national strategy and coordinates the operational response.

The City Corporation is delivering a new Justice Hub at Salisbury Square, housing the City of London Law Courts and a state-of-the-art headquarters for the City of London Police. With 18 courtrooms, the City of London Law Courts will combine magistrates, civil and crown courts in one flagship facility. This will help cement the City's position as a world-leading legal centre helping the UK attract international business.

Leading Internationally

The financial and professional services industries are key to the ongoing prosperity of the UK. The industries employ 2.4 million people; 1 in 14 UK workers; and fund our public services, providing 13% of total government tax receipts.

The contribution of financial and professional services is key to the future prosperity of the UK and the City Corporation plays a key role in securing the best outcomes for the FPS sectors internationally to secure prosperity for future generations.

Through the **Corporate Plan**, **Competitiveness Strategy**¹⁰ and **International Prioritisation Markets Framework**¹¹ the City Corporation sets out how it engages on the global stage to promote the UK financial and professional services sectors, champion global regulatory coherence and build the UK's profile as the global destination for green finance.

The City Corporation is committed to:

- Promoting **regulatory confidence** founded on the rule of law.
- Leading nationally and advising internationally on the **fight against economic and cyber-crime**.
- Strengthening local, regional, national and international **relationships** to secure new opportunities for business

The City Corporation also builds the UK's profile and role globally on **sustainable finance** including through:

- Galvanising action and **showcasing UK leadership** through high profile events like Net Zero Delivery Summit and COP-27.
- Supporting net zero infrastructure in **Emerging Markets**.
- Increasing flows of **sustainable investment** into emerging markets.

¹⁰ [Competitiveness Strategy \(cityoflondon.gov.uk\)](https://www.cityoflondon.gov.uk/~/media/2022/07/Competitiveness-Strategy-2022-2026.pdf)

¹¹ [International Prioritisation](https://www.cityoflondon.gov.uk/~/media/2022/07/International-Prioritisation-Markets-Framework-2022-2026.pdf)

- Using collaborative high-profile Taskforces to normalise the use of **international standards** in sustainable infrastructure investment and promote UK's green finance offering.

The City Corporation's International Disasters Fund provides financial support in response to international crisis appeals, usually in response to appeals by the Disasters Emergency Committee. Since March 2022, support has been provided for the Ukraine crisis appeal, Bangladesh flood appeal, Pakistan flood appeal and the Turkey/Syria earthquake appeal.

Note on institutions

Individual policies and strategies set out how they apply to the City Corporation and its family of institutions and charities, some of which have separate governance and legal requirements.

Under the Government's pooling agenda for all LGPS administering Authorities in England and Wales, the City of London Local Government Pension Fund, along with the other London local authorities is a shareholder of the London CIV pool.