



ED-DES4

Climate Action Strategy 2020-2027

Executive summary

This document sets out the City of London Corporation's Climate Action Strategy from 2020 onwards. It explains the importance of climate action to the achievement of the economic, societal and environmental outcomes described in our Corporate Plan, 2018-23. It describes why we need to act now and the our rigorous approach for the first six years.

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The headlines



THROUGH THIS STRATEGY THE CITY CORPORATION COMMITS TO ACHIEVING:

- Net zero by 2027 in the City Corporation's operations
- Net zero by 2040 across the City Corporation's full value chain
- Net zero by 2040 in the Square Mile
- Climate resilience in our buildings, public spaces and infrastructure



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:

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

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. We bring an independent and non-party political voice and convening power. This enables us to promote the interests of people and organisations across London and the UK and play a valued role on the world-stage.



Our reach extends far beyond the Square Mile's boundaries and across private, public and charitable and community sector responsibilities.



What we can do

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

1. 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 the use of resources, emissions, conservation, greening, biodiversity and access to nature.
- Providing a clean environment and driving down the negative effects of our own activities.

2. BUILD CLIMATE RESILIENCE BY...

- Preparing our response to natural and man-made threats.
- Protecting consumers and users of buildings, streets and public spaces.
- Providing thriving and biodiverse green spaces and urban habitats.

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 responsible practices and investment.

Why us? Why now?

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. We were the first local government body to introduce a smokeless zone, in 1954, two years ahead of the Clean Air Act. We developed a climate change adaptation strategy in 2010. Since then, we have supported the growth of the UK's green finance sector.

Scientific evidence tells us that the climate is already changing. We need to act now if we are to limit global warming to 1.5 degrees, thereby avoiding the more extreme effects of climate change. This means we must commit to achieving net zero. And we must ensure that the Square Mile, and our assets outside it, are resilient to more extreme weather events. Acting now is the right and responsible thing to do. It is also key to securing and advancing our global market position as a financial centre. It will also strengthen the appeal of our buildings, investment properties and public spaces as attractive places to work, live, study and visit, both now and in the future.

We do not need to compromise the economy to fix the environment. In reality, climate action will drive growth and jobs. In order to remain relevant and 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. Integrating climate risks and opportunities into all decision-making is similarly becoming the new normal.

In developing this strategy, we have focused on achieving best practice. Driven by an evidence-based approach, we have included a broad range of emission sources and physical risks. Founded on science-based targets, rather than simply a call to action, our Climate Action Strategy aims to ensure that the Square Mile and City Corporation make a positive contribution. We will help tackle climate change, address the resilience 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 policies. It supports delivery of our Corporate Plan, 2018-23. But we cannot do this alone. This strategy sets out how we will work in partnership with our stakeholders to develop the solutions to tackle climate change. We must build back better following the pandemic, making sure no one is left behind. We invite you to work with us as we adapt so that our society can flourish for decades to come.



This means we must commit to achieving net zero and to ensuring that the Square Mile, and our assets outside it, are resilient to more extreme weather events."

Alderman William Russell,
The Rt. Hon. The Lord Mayor of the City of London



Alderman William Russell
The Rt. Hon.
The Lord Mayor of the City of London



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

Our approach

We cannot fulfil our ambitions alone. This means we must first demonstrate robust climate action ourselves. We will also share our methodology with, and learn from, others on this journey.

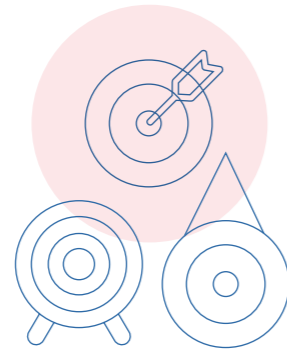
In developing this strategy, we have focused on achieving best practice with our evidence-based approach and the breadth of emission sources and physical risks we address. We are committed to embedding climate action in everything we do and working within the latest standards and advice.

OUR EVIDENCE BASE

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. It 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 expert advice on 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 should be to us. We asked 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.



We have identified separate targets for the Square Mile and the City Corporation. These have been understood **by emission type to ensure progress in all key areas.**

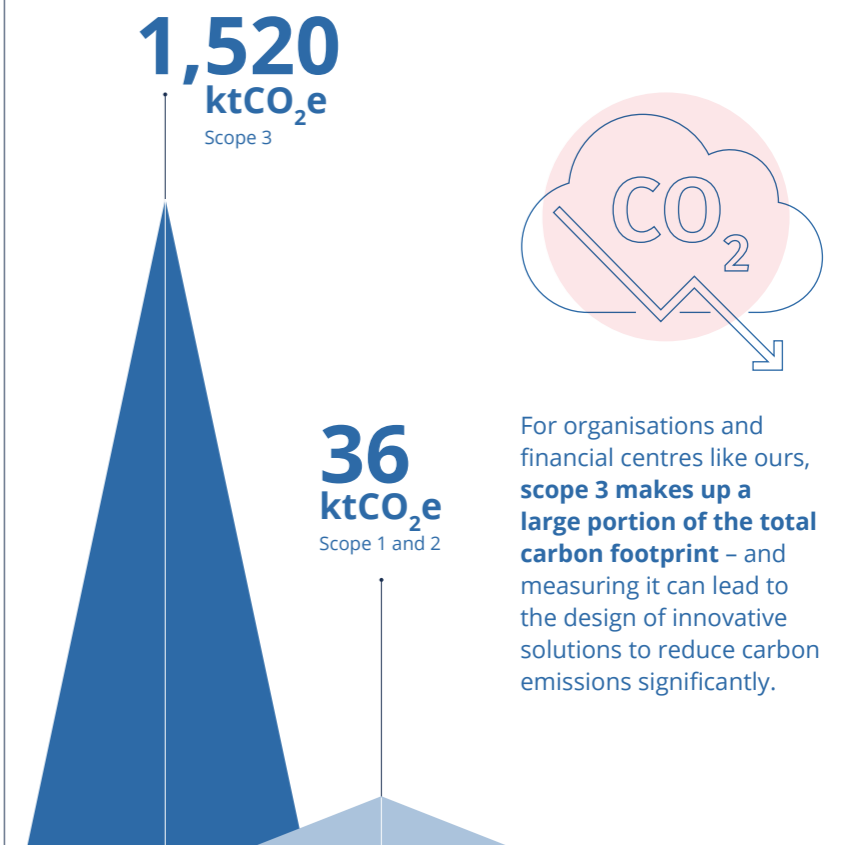
We have built an evidence base upon which we have designed our action plan. We have the data we need to set and track stretch but achievable targets. We will test and learn as we go. We have identified separate targets for the Square Mile, the City Corporation and types of emissions to ensure we deliver as much as possible, as soon as possible.



THE BREADTH OF EMISSION SOURCES WE INCLUDE

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. Measuring it can lead to the design of innovative solutions to reduce carbon emissions significantly.

We have included scope 1, 2 and all scope 3 emissions to take ownership, show leadership and help make this standard practice. This can make it appear that we are greater emitters than our peers that have not included Scope 3. We will continue to enhance our understanding of scope 3 data with our partners. We will also advocate for standardisation of reporting to ensure everyone addresses their total carbon footprint effectively.



TURNING RISKS INTO OPPORTUNITIES

Whatever action we and others take, we still need to prepare for hotter drier summers, warmer wetter winters, stronger winds, more frequent extreme weather events and rising sea levels. As we do this, we will go beyond mitigation and seize opportunities to deliver social, economic and environmental outcomes that mean that everyone benefits from the action we take.

RISKS

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 natural 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.

OPPORTUNITIES

A resilient global business environment in the face of climate impacts.

More and better space for people and nature, including urban biodiversity.

Benefits to health, wellbeing and productivity from climate action.

Job creation.

Reduced risk to the insurance sector and the assets they protect.

Benefits over other global financial centres which will face more extreme challenges.

Fewer people living in fuel poverty.

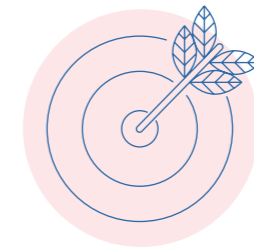
Reduction in unnecessary use of resources (water, food) and generation of waste and use of natural capital (greening rather than air conditioning to reduce temperatures).



HOW WE COMPLEMENT OTHERS' EFFORTS

This strategy has been developed to support the delivery of The Paris Agreement on climate change (2015) and our obligations under the UK Climate Change Act (amended 2019). This 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 the resilience of our communities and urban spaces.

Crucially, this includes the draft London Plan, the Greater London Authority's London City Resilience Strategy 2020, the UK Committee on Climate Change Climate Risk Assessment 2017 and National Adaptation Programme. It also covers the landscape of policies set out by government and advice from the Intergovernmental Panel on Climate Change (IPCC).



The UK Climate Change Act (amended 2019) has enshrined in law both **a target of net zero emissions by 2050 and measures for climate adaptation.**



FACTORING CLIMATE ACTION INTO EVERYTHING WE DO

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

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.

Identifying measurable targets to track performance against our goals.

Keeping our actions and targets in line with changing legislation and recommendations (see next section for more details).

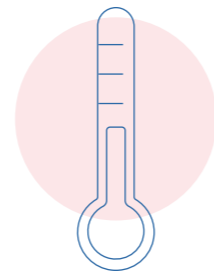
Accessing the best evidence of our impact possible so we can learn, share our experience and hone our actions as we go.

Embedding a climate lens into all our decision-making.

Monitoring progress against our targets at regular intervals.

Reporting publicly to our committees and via published annual reports.

Reviewing and refreshing the action plan every five years.



We still need to **prepare for hotter drier summers, warmer wetter winters, stronger winds, more frequent extreme weather events and rising sea levels.**

Our Baseline

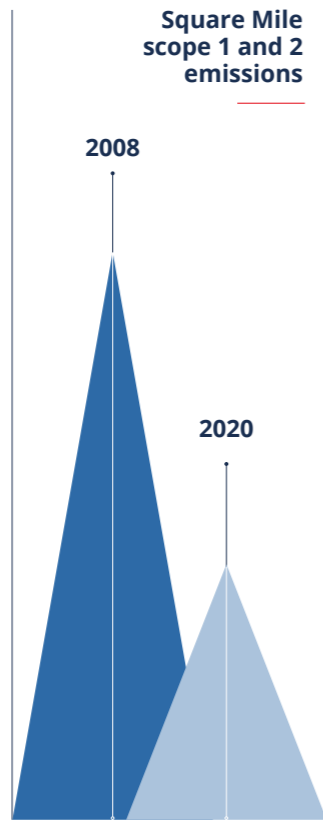
SUPPORTING THE ACHIEVEMENT OF NET ZERO

The City Corporation has achieved a 19% reduction in energy consumption within our operational sites since 2008. Since 2018, 100% of the electricity we have purchased has been from renewable sources.

We bought six new electric vehicles and eight new hybrid vehicles in 2018/19. And in 2019/20 installed 20 new electric vehicle charging points as part of the City's "Transition to a Zero Emission Fleet" policy.



100%
of the electricity we purchase is renewable.



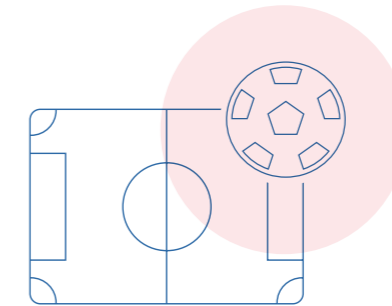
The Square Mile has achieved a 55% reduction in Scope 1 and 2 emissions since 2008 (using data from 2018/19). This has been assisted by our ambitious planning requirements which have led to 75% of new commercial developments with over 20,000m² floor space achieving at least a BREEAM 'Excellent' rating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



20,000m²
of floor space achieving at least a BREEAM 'Excellent' rating since 2014.

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 16 ktCO₂ per year. This is equivalent to 40% of the City Corporation's scope 1 and 2 emissions.



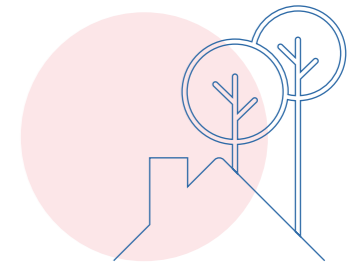
5,500

The equivalent of nearly **5,500 football pitches** of green spaces across London and its green belt are managed by The City of London Corporation.

BUILDING RESILIENCE

The City Corporation has long used our planning role 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 11,200m² in 2005. This is set to increase to 65,800m² by 2024. 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 floor space achieving at least a BREEAM 'Excellent' rating since 2014.



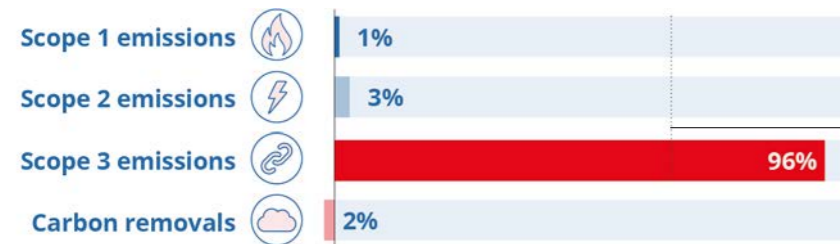
42,600m²

of green roof in the Square Mile.

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 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. The UK was the first government to adopt a Green Finance Strategy, which was launched at the Guildhall alongside the Green Finance Institute. The UK is the leading destination for talent that is trained and skilled in sustainability matters. This allows us to lead and support other economies as they transition to net zero.

City of London Corporation emissions

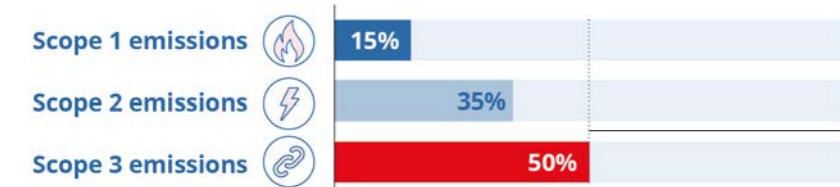


Following SBTi guidance, we need to reduce or remove

1,050 ktCO₂e

of emissions to achieve net zero. This includes 100% of scopes 1 and 2 and 66% of scope 3.

Square Mile emissions



We need to reduce or remove

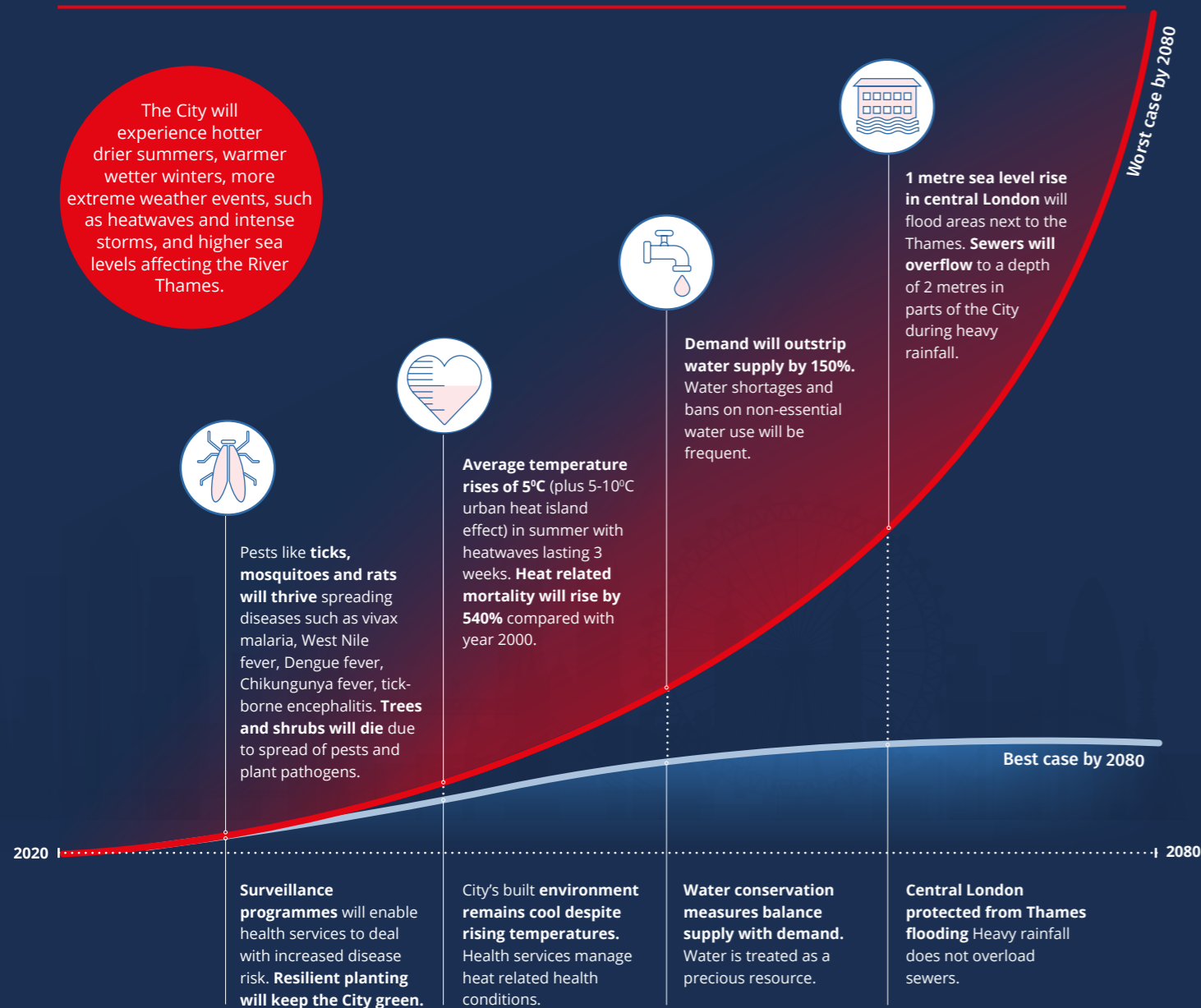
1,528 ktCO₂e

to achieve net zero.



The London Stock Exchange is the **'greenest'** main stock exchange across all global financial centres

Adapting to climate change



Mitigations

Horizon scanning for pests and diseases.

Climate resilient landscaping.

Adapting buildings and public realm to cope with higher temperatures.

Public Health interventions to combat heat stress.

Building designs which prioritise water conservation.

Water footprint management.

Flood Defence improvements.

Urban greening to absorb rainwater before it gets to the sewers.

Our climate vision, aims and goals

Our Vision

The City of London is **Responsible, Sustainable and Competitive**

Our aims



To **support the achievement of net zero**



To **build climate resilience**



To **champion sustainable growth**

Our goals

For the City of London Corporation

City of London Corporation **scope 1 and 2 emissions are net zero by 2027** and **scope 3 emissions are net zero by 2040.**

The City of London Corporation and its assets **are resilient to climate change.**

The City of London Corporation supports UK and overseas organisations to **become climate responsible.**



For the Square Mile's fabric and function

The Square Mile's scope 1, 2 and 3 emissions (BASIC+ definition) **are net zero by 2040.**

The Square Mile's buildings, public spaces and infrastructure **are resilient to climate change.**



For society

People in the Square Mile and beyond **benefit from a clean, green and safe environment and job creation.**



The first six years

Our actions and the targets we set build upon our Responsible Business Strategy (2018 - 23) – “Towards a Sustainable Future”. They also reflect ongoing work in supporting innovation and growth in the financial and professional services sector. These actions relate to the first six years of the strategy. The strategy and action plan will then be refreshed for the next phase of implementation to achieve our 2040 goals.



Actions to support the achievement of net zero

THE CITY OF LONDON CORPORATION

Transform the energy efficiency of our operational buildings through the adoption of best available technologies

Maximise the use of renewable energy sources across our operational buildings

Introduce new land management practices across our open spaces aiming to maximise their ability to remove carbon, and optimise their biodiversity and resilience value

Align our financial investment portfolio with the goals of the Paris Agreement on climate change

Embed circular economy principles into our capital projects and reduce carbon intensity by using life cycle carbon and cost assessment techniques and design specifications

Accelerate the move to net zero carbon and energy efficient tenanted buildings, working closely with tenants to achieve shared goals

Strengthen our requirements and supplier engagement to drive performance and innovation in delivering sustainable products and solutions

Upskill our workforce on net zero

THE SQUARE MILE

Work with other organisations to develop a Climate Action Fund to invest in effective zero carbon technologies and accelerate decarbonisation

Develop a Square Mile renewable energy strategy

Use our planning role to influence others to embed carbon analysis and circular economy principles in capital projects

Advocate the importance of green spaces and urban greening as natural carbon sinks, and their contribution to biodiversity and overall wellbeing

Support organisations in the Square Mile to build circular, low-carbon and resilient supply chains

Provide tailored support to SMEs on their decarbonisation journeys

Increase engagement and communications about sustainability with residents, businesses, visitors and other stakeholders



Actions to build climate resilience

THE CITY OF LONDON CORPORATION

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

Embed resilience measures into our upgrade plans for our owned and operated buildings

Upskill our workforce on climate resilience

Embed a climate resilience lens into all our decision-making

THE SQUARE MILE

Make the Square Mile public realm more climate change ready through adding in more green spaces, urban greening, flood resistant road surfaces, adaptable planting regimes and heat resistant materials

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

Strengthen our planning guidance on climate resilience measures for new developments

Work with our partners to create a more climate resilient and diversified energy network across the Square Mile

Develop a strong, data-led approach to deepen our understanding of climate related risks and mitigations across the Square Mile

Ensure that we continue to protect the residents, critical assets, infrastructure and heritage of the Square Mile



Actions to champion sustainable growth

THE CITY OF LONDON CORPORATION

Mobilise capital into sustainable finance

Secure the UK's place as a leader for investment in sustainable finance products

Help faster development and adoption of sustainable finance products and services

Share best practice on standards, tools, platforms and expertise to facilitate green and sustainable investment and growth

Encourage global movement towards disclosure and production of credible transition plans as the norm

Foster an ambition to achieve net zero emissions by 2050 or sooner for UK-based financial and professional services firms

Join other investors working through development and implementation of net zero transition action plans

Support financial institutions committing to net zero in the 2040s at the latest, covering all emissions, including scope 3 and where data allows reliable measurement

Support charities and SMEs to consider, prepare for and lead the response to climate change

Promote responsible procurement and investment practices.

Enhance the UK/London's capacity to finance sustainable investment opportunities globally, including emerging markets

Work with the financial services sector and UK Government to promote and scale sustainable finance products and services that countries and corporates need to help them transition to net zero

Influence and support the delivery of technical solutions to increase comparability of data and ease of reporting

Share learning and best practice about the challenges and opportunities of our net zero journey

Address existing inequalities and ensure no one is left behind

Prepare people for skills needed in a net zero economy

Facilitate collaborative action on air pollution in London

Reduce pollution and increase the resilience of the Square Mile

Reduce air pollution through implementing our ambitious air quality and transport strategies

Embrace circular economy principles across our strategies and work

Work with our creative and educational sector partners to deliver sustainable initiatives

Enhance greening and biodiversity across our public realm and open spaces

Glossary

BASIC+ definition 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 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. These include methane, nitrous oxide and fluorinated gases amongst others.

ktCO₂ is the unit of measurement for GHG emissions. It standardises greenhouse gases into units of kilotonnes 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 are achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period (Science Based Targets initiative (SBTi) and CDP, Towards a science-based approach to climate neutrality in the corporate sector, September 2019). N.B. Further guidance on the definition of net zero and its guiding principles are due later in 2020 from the SBTi.

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 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.

SMEs refers to small and medium-sized enterprises.

Scopes 1, 2 and 3 for an organisation: (Defra Environmental Reporting Guidelines and the Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard, revised edition)

Scope 1 (direct) means emissions from activities owned or controlled by your organisation that release emissions into the atmosphere. They are direct emissions. Examples of scope 1 emissions include emissions from combustion in owned or controlled boilers, furnaces, vehicles, emissions from chemical production in owned or controlled process equipment.

Scope 2 (energy indirect) means emissions released into the atmosphere associated with your consumption of purchased electricity, heat, steam and cooling. These are indirect emissions that are a consequence of your organisation's activities, but which occur at sources you do not own or control

Scope 3 (other indirect) means emissions that are a consequence of your actions, which occur at sources which you do not own or control and which are not classed as scope 2 emissions. Examples of scope 3 emissions are business travel by means not owned or controlled by your organisation, waste disposal which is not owned or controlled, or purchased materials.

Scopes 1, 2 and 3 for a city: (GHG Protocol, Global Protocol for Community-Scale Greenhouse Gas Emission Inventories)

Scope 1 means GHG emissions from sources located within the city boundary

Scope 2 means GHG emissions occurring as a consequence of the use of grid-supplied electricity, heat, steam and/or cooling within the city boundary

Scope 3 means all other GHG emissions that occur outside the city boundary as a result of activities taking place within the city boundary.



About The City of London Corporation:

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.

We aim to:

- Contribute to a flourishing society
- Support a thriving economy
- Shape outstanding environments.

By strengthening the connections, capacity and character of the City, London and the UK for the benefit of people who live, work and visit here.

www.cityoflondon.gov.uk