THE MAGAZINE OF THE WORSHIPFUL COMPANY OF INTERNATIONAL BANKERS

The International Banker

Bankers: the good ancestors

HOW 'CATHEDRAL THINKING' CAN SAVE THE PLANET

AUTUMN 2021

From the Editor

AUTUMN 2021

Bankers as good ancestors

HOW SIR ROGER GIFFORD PERSUADED THE WORLD THAT BANKERS WERE ITS SAVIOURS

The Worshipful Company Of International Bankers

November's COP26 in Scotland – the "finance COP," where our profession came to the fore as leaders in the all-important climate challenge – would have been our Past Master Sir Roger Gifford's jubilee fortnight. For it was our lost friend who established and chaired the Green Finance Initiative in 2016 to, in his words, "encourage an international alignment of interests, incentives and policies by bringing people together and seeing where the UK's great financial acumen can make its contribution".

That old fraud death robbed us of this great leader in the summer. But Sir Roger's office overlooking St Paul's had been host to some of the most important discussions the City has seen over its many centuries on the role of bankers as "good ancestors." For it was there that he first brought "green" and "blue" and more generally sustainable finance as a source of good – and of purposeful profit – to the attention of many in the City, in government, and beyond. It was there that he built the springboard of the Green Finance Initiative to bring many of these opportunities into action. There that he shepherded the Green Finance Institute into the great prominence it has achieved under its chief executive, Rhian-Mari Thomas (see page 38). And there that a dozen heads of Britain's main financial professional bodies were gently but adroitly knocked together by Sir Roger (and Treasury Minister John Glen MP) into an unprecedented charter to promote joint knowledge and education initiatives in this vital field.

Sir Roger chaired the Green Finance Taskforce which advised the government on the UK's Green Finance Strategy, published two years later. That strategy became the basis for many of the recent landmark policies and initiatives that have ensured the UK's global leadership in Green Finance – the issuance of Green Sovereign Bonds, the mandatory requirement for businesses to disclose their climate related financial exposures, the launch of a Clean Growth Fund, the establishment of a Centre for Climate Data and Analytics to green financial investment as well as the Green Finance Institute, the UK's principal interface between the public and private sectors, tasked with mobilising capital towards a green and sustainable future.

A total of £16 billion has come from the UK's green gilt for projects like zero-emissions buses, offshore wind and schemes to decarbonise homes and buildings. The order book for the second issue was 12 times oversubscribed, showing the large demand for the green gilt. The combined size of two transactions in the autumn of 2021 now means the UK is one of the top three biggest national issuers of green bonds in the world. Sir Roger was pivotal in all of this.

BEING GOOD ANCESTORS

We all strive for purpose in our lives. Now, with greater urgency though with less verve and commitment than Sir Roger brought to the crusade, many aim higher than the old biblical aspiration of the Good Samaritan - they plan to be good ancestors, to retain a world that will work for generations to come, and not just for the children and grand-children that many in WCIB have the good fortune to treasure now. "Right now we are facing a man-made disaster of global scale, our greatest threat in thousands of years: climate change. If we don't take action, the collapse of our civilisations and the extinction of the natural world is on the horizon." That was Sir David Attenborough at COP. Not in 2021, but in 2018; three vital and time-losing years ago. The world has darkened since.

Martin Rees, Lord Rees, Astronomer Royal, and a highly-gifted thinker, is concerned that there is "too little planning, too little horizon-scanning, too little awareness of long-term risks."

St Paul's, as viewed on our cover from Sir Roger's office – built over a generation, and financed, tellingly, by a tax on coal – is an exquisite example of cathedral thinking, the willingness of many of our ancestors to think beyond the next bonus season, or the next election, or the next major war, or pandemic, even as the busy world rushes past about its short-term business. In this issue of *The International Banker*, as uncertain old year turns to uncertain new year, we give you the best and brightest of thought from some of our members and friends on how we might bring that forward thinking into our working lives.

Happy New Year.

George Littlejohn
Editor – *The International Banker*
george.littlejohn@btinternet.com

Contents

MORE REGULAR NEWS ON THE WCIB LINKEDIN CHANNEL

Join the many WCIB members who are already part of the exclusive WCIB LinkedIn group, to share news and contact each other directly. Sign up swiftly here: bit.ly/WCIBlinkedin

If you have the LinkedIn app on your phone, you can use this QR code.

Installation Court and Dinner September 2021

A WELCOME RETURN TO COMPANY FELLOWSHIP

From the Master

"FREEMAN, LIVERYMAN, MASTER"

A very warm welcome to this Autumn 2021 edition of *The International Banker magazine*.

I was installed as your 20th Master on October 7th last year. The pandemic has meant that everything has been totally unique, full of challenges, with all traditions being constantly re-written. But we, as a Company, have continued to be very flexible and very successful. So I wanted to use my motto of "Freeman, Liveryman, Master" to highlight some of the things we have achieved and to thank all members for their ongoing support.

Firstly, the **Freeman** part indicates the need to continue to encourage a flourishing membership of WCIB, made up of international bankers and financial services professionals. Our recent review of the Company's Vision and Strategy, which we undertook in January, highlighted the growth of new Freemen as a key goal. So we have held numerous webinars during the pandemic in order that existing and new members could remain connected, up-to-date on current topics of interest, committed to the charitable aims that we set for the International Bankers Charitable Trust, and wanting to be Freemen of the WCIB. So I am very pleased to report that we have grown our membership. We currently have 410 Freemen, including 69 new Freemen in this past year.

Secondly, the **Liveryman** part is because we also currently have 205 Liverymen, including seven who were clothed during our Common Hall in September. Being a Liveryman makes you part of a much larger family of livery companies and active charitable giving in the City of London. In September it was great to attend Common Hall for the election of a new Lord Mayor and to meet our fellow Liverymen from 110 other companies. I was also pleased to present monies from our Trust to the Sheriffs' and Recorder's Fund when the Sheriff visited our offices and to the Lord Mayor's Appeal on City Giving Day when supporting the Lord Mayor at Guildhall.

Thirdly, the **Master** part is because it really is a great honour to be your 20th Master. Looking at the Past Masters you realise it is a very special group. So one of the highlights of this year was to host a Past Masters Lunch in May and to thank them all for their leadership towards making this Company so successful. I have also sought to give every member the skills and encouragement to take the path and aim to be the Master.

I was particularly pleased to host the **Installation Court and Dinner** in September. It was a celebration of the new Court, with myself as Master, John Bennett as Master elect, Jason Van Praagh as Senior Warden, Angela Knight as Middle Warden, Nick Garnish as Junior Warden, and all the other Court Assistants serving for the year ahead. I acknowledge it is slightly different to the norm, given that I am continuing as Master until Q1 next year when John takes over. But the pandemic has taught us to be flexible and to adjust to remain successful. And the underlying progression has continued.

Importantly, it was great to be back enjoying in person fellowship at the magnificent venue of Drapers' Hall in the City of London. We were delighted to have Dame Elizabeth Corley as our guest speaker. She gave us some excellent thoughts on ESG (Environmental, Social, Governance) as overleaf. We will follow up on these at Master's Committee and in our ESG working group.

We also celebrated in May 2021 our 20th Anniversary as a Livery Company. The publication, that all Freemen, Liverymen and Past Masters have received, entitled **"Reflections of the first 20 years of the WCIB"**, is a wonderful record of all that we have achieved as a successful modern Livery Company. And the articles in this Autumn edition of our magazine capture the ongoing fellowship and charitable giving.

So in summary, I hope that by discussing my motto of "Freeman, Liveryman, Master" it has shown you how active, connected and successful we are as a modern Livery Company and that all of you will want to progress and contribute to The Worshipful Company of International Bankers. Thank you for your ongoing support!

Bringing impact finance to life: not why, but when?

DAME ELIZABETH CORLEY, HONORARY FREEMAN OF THE COMPANY, ON THE "PROFOUND CHANGES" THAT ESG IS BRINGING TO OUR MARKETS

It is impossible to overstate the importance of trends in environmental, social and governance matters to the City of London as a leading international financial centre – and to all the operators within. ESG will be a – if not the – major driver of capital markets activity for the rest of this decade, as we run up to the 2030 targets set for the UN Sustainable Development Goals and also the Paris Agreement commitments.

The need for action beyond the norm has been sustained by awareness of the depth of climate-related challenges we face. It may seem like another world away now, but Davos in 2020 – as you may recall - was a turning point. In virtually every discussion and venue, the topic of the environment and global warming pivoted from "why should we do something" to "how quickly can we take action." There was wide-spread realisation that business and finance were, albeit often unintentionally, part of the problem, and that we had to be part of the solution to address the climate crisis and its social consequences.

Dame Elizabeth Corley

Afterwards, it was noticeable how, on every board on which I served, the discussion moved from a committee into the board itself; and from how to mitigate implications to the strategic realities facing the organisation – both positive and negative. Of course, almost immediately afterwards, we were plunged into dealing with the consequences of the global pandemic. Global and domestic inequalities quickly revealed themselves in fault lines of differential infection rates, morbidity and mortality. It became starkly apparent that the robustness of the social fabric most of us had taken for granted was deeply flawed.

As if that were not enough, in Q2 last year we had the consequences of the killing of George Floyd and the Black Lives Matter movement that evolved rapidly into demands for improved Social Justice. First in the US, then in the UK and more widely, the narrative shifted to an acknowledgement that whatever we had been doing, it was not enough and that slow, incremental change was simply inadequate.

Enterprises around the world were faced with the reality of inequalities arising from privilege in our societies. Equality was increasingly added to policies and targets for inclusion and diversity.

The trend to take into account environmental, social and governance factors when assessing corporate performance was already happening. But the combination of events last year has accelerated its adoption and increased its impact.

It quickly became apparent that the world could not change and adapt without finance. Demand for financial innovation to fund solutions to deep and intractable problems soared:

- We saw issuance of ESG-linked debt boom, with social and sustainable bonds emerging as an equally important market in their own right;
- As was mentioned in the spring edition of The International Banker, the value of global assets applying ESG data as part of investment decision-making, now stands at well over $40 trillion dollars;
- Asset owners are demanding a change in focus from their managers away from pure risk and return – to a third dimension, impact;
- At the same time, and as importantly, there has been a buy-side shift in what it means to integrate ESG into portfolio decision making – from risk avoidance to alpha opportunity.

These changes are profound. The market is well beyond the point of reversion. They represent enormous opportunity for firms that get it right and a potentially existential threat to those that fail to adapt. As Mark Carney has said, "the dialogue ...has shifted from risk to seeing the opportunity. Private finance is judging which companies are part of the solution, but private finance is also being judged, whether by our clients, regulators, governments or our employees."

Demonstrating commitment and being measured on performance – not intentions - will become a routine part of the corporate reporting landscape. A glossy corporate social responsibility report alone soon won't be worth the paper it is printed on.

So where does the Worshipful Company of International Bankers fit into this picture? I was struck by your mission to "promote the development and advancement of the science, art and practice of the international banking and financial services industry for the benefit of the public..."

If ever there was an area of development with opportunities for the advancement of practice in international banking, it is ESG. There are many positives, particularly in the deep sense of purpose that you have encapsulated in your mission, which means you won't have to address a tough decision of whether ESG fits with your aims. It clearly does. Another positive is the quality and breadth of livery company membership. That, plus the energy, intellect and determination that is palpable, to make your Company a living embodiment of what a Livery Company should be in the 21st Century, are tremendous strengths.

But there are of course risks to be navigated. Firstly, how quickly can you adapt? Pace really matters right now. I have seen organisations that were considered leaders only last year already falling behind as more flexible and/or aggressive competitors overtake them. The Company has a fantastic opportunity to include ESG in its future vision and practice – but don't take too long!

Secondly, how *well* will you adapt? I mentioned earlier that the ESG world has moved beyond risk avoidance to embrace innovation and a search for opportunity. From being able to rely only on inputs to having to account for outcomes and impact. It will be important for you to be honest about what good looks like. Think about what would you like to hear said about yourselves? How can you help the City and the wonderful international markets we have here evolve successfully to command respect – and business – in ESG finance from around the world?

And the third thing to think about is how you measure your progress. My advice would be to include measures of outputs, and not only actions. I think that is where the market is going – and where both our customers and our regulators will be focussed in the future. Marking one's own homework against a list of good intentions won't be enough.

What then does ESG mean for each of us, personally? For me, it was a decision to commit more time and energy to contributing to the shift in finance and capital markets into a force for good. I have always felt that is what we do but it became apparent to me that we needed to evidence our contribution more explicitly or risk our licence to operate. I also felt we could be more ambitious. As a result I helped found, and still chair, the Impact Investing Institute, graciously supported by the City of London and other financial institutions.

Why? Because we will leave people, communities and some politicians way behind. We can't simply pull out of economies and enterprises earnings from fossil fuels and other heavy carbon emitting industries, or those that have damaging effects on nature. We cannot simply hope that the associated GDP, incomes and tax revenues get miraculously replaced. And if they don't the socio-political consequences will be dramatic and harmful – we can see it already in climate-driven immigration.

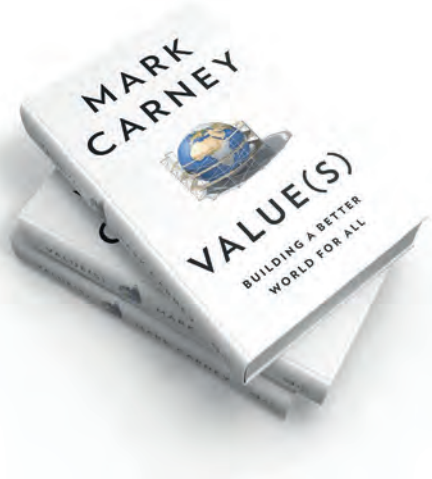
So our mission is that the transition to net zero is a just one – that it embraces the S alongside the E, just as the UK Government's green gilt issuance programme is doing. Each of us in the financial world has an opportunity to shape transition, and I don't mean simply by recycling our rubbish. All of us have influence, and talents that can be deployed for good – and fantastically, in the current environment that will be good for business too.

Dame Elizabeth Corley DBE is Chair of the Impact Investing Institute and was formerly CEO of Allianz Global Investors. She was previously at Merrill Lynch Investment Managers (formerly Mercury Asset Management), Coopers & Lybrand, where she was a consulting partner, and at Sun Alliance. She is a non-executive director of Pearson plc, BAE Systems plc and Morgan Stanley Inc. This is an edited extract from her speech to the Company's Installation Court Dinner in September 2021.

Dame Elizabeth with the Master

Mark Carney: "a vision for building a better world for all."

LIVERYMEN'S COMMITTEE CHAIRMAN SIMON HILLS ENCOURAGES EVERY WCIB MEMBER TO READ THE FORMER BANK OF ENGLAND GOVERNOR'S NEW BOOK AND BE "ENTHUSED"



The title of Mark Carney's book Value(s) deliberately parenthesises the 's', reminding me how thought leaders' perceptions have changed since I was at business school, many years ago when shareholder value reigned. His book reaches beyond its replacement, stakeholder value and seeks, as the subtitle declares "to provide a vision for building a better world for all." This sits well with our own Company's objectives and purpose. I encourage every WCIB member to read his book and be challenged and, one hopes, enthused by its ideas.

It starts with a reminder about the nature of money - standard stuff for an ex central banker (such as Mervyn King's analysis of the global financial crisis). Money is a measure of value but also a social construct reliant on public trust and supported by public institutions, such as central banks, acting consistently with society's values. In reviewing the nature of money, he cautions that crypto assets do not fulfil the requirements to be a trusted store of value and medium of exchange - but privately issued stable coins backed with high-quality liquid assets could be.

The book then helpfully (for a non-economist like me) examines the political and philosophical underpinning of economic theories. Concepts of the "right" price, have evolved through the ages. For much of mankind's existence price has been objectively based on the value of inputs such as labour, raw materials and, with the ending of the church's prohibition of usury, the cost of capital. But beginning in the 19th century economists focussed on subjective value – something is worth what a participant will pay for it in an open market with its theoretical ability to identify the clearing price.

Like money, markets rely on society's understanding of trust, integrity and fairness to function effectively. But the author argues that the commoditisation, particularly of complex financial markets in the run up to the global financial crisis, has subverted traditional constraints on behaviour, such as religion. Our own Lord George Principles for Good Business Conduct, which all WCIB members are expected to adhere to, are a tool for reinserting moral values into the markets with which we engage.

The author's analysis of society's response to both Covid-19 and its Paris Accord commitment to a net zero emissions world by 2050 both suggest that public values can again shape private value but only if political and business leaders reshape their frame of reference. Echoing the huge Covid related increase in government spending he also argues that central governments will have to shoulder a larger portion of the investment required to ensure that across generations our world becomes sustainably carbon neutral, as governments rather than private firms are better able to take the longer view.

This is not to say that the private company will not have a vital role in reaching that carbon neutral goal, but our perception of what they do and how we test whether they meet society's expectations of them – which gives them their licence to trade – will have to change, along with the expectations of those who invest in them.

Historically shareholders have invested in a company in the understanding that their money would be applied to a specific purpose - building a canal or railway, for instance. But more recently, after the introduction of limited liability to fuel the industrial revolution, the company has been viewed as a collection of legal contracts with shareholders as residual claimants after everyone else has been paid off, if the company fails.

To meet the shorter-term challenge of building back better and the longer term one of climate change Carney argues that companies must be driven by a different vision, *defined* by their purpose, which must be explicitly embedded in their corporate structure, remuneration policies as well as financial and ESG disclosures. To achieve this not only must companies, countries and investors change, their leaders must change too. By "engaging, explaining and emoting" they will create long term value for all.

Sustainable finance: turning best practice into standard practice

SIMON THOMPSON, CHIEF EXECUTIVE OF THE CHARTERED BANKER INSTITUTE, CALLS FOR A SIGNIFICANT INCREASE IN KNOWLEDGE AND SKILLS TO TACKLE THE CLIMATE CRISIS

Despite considerable progress in recent years, especially since the signing of the Paris Agreement in 2015, and the substantial levels of support for the Principles for Responsible Banking and the Glasgow Financial Alliance for Net Zero (GFANZ), sustainable finance and responsible banking still have a long way to go until they become – as I believe they must – the mainstream of our work.

The green bond, green loan, ESG investment and other markets may be growing, and growing quickly, but they still account for only a small proportion of financial services overall. Green bond issuance is still less than 3% of overall bond issuance, for example, and our world is still built on an economic model powered by fossil fuels and financed on that basis – as events in the final quarter of 2021 are showing. Globally, lending and investment portfolios are aligned, overall, with considerably more than 3 degrees of warming at present, and the financing of fossil fuels still considerably outweighs climate finance.

With some two-thirds of finance overall, and 90% of finance in the developing world, coming from banks that is a considerable problem. But a considerable opportunity too.

However, aligning banking with sustainability and the Principles for Responsible Banking more broadly – and doing this rapidly enough to keep global warming as close to 1.5° C as possible, and meet mid-century and interim decarbonisation targets – is challenging in practice for a number of reasons including:

- The need for more consistent global approaches to policy, regulation and especially definitions around sustainability;
- The need for realistic global carbon pricing, so the real costs and externalities of carbon are factored in and affect the relative costs of capital for high and low carbon firms, sectors and technologies;
- The technical challenges of measuring emissions and other sustainability factors through lending and investment portfolios;
- The lack of consistent and comparable data to support capital allocation decisions; and
- Especially the lack of capacity and capability – even within the largest, best resourced financial institutions to support this agenda.

I believe our profession faces three key challenges on this front:

- How do we build the capacity and capability we need to align banking and finance with the objectives of the Paris Agreement, the UN Sustainable Development Goals, and the PRB?
- How do we turn best practice into standard practice across financial services?
- And how do we enhance and sustain a purposeful, professional culture that supports responsible banking in general?

Part of the answer lies in appropriate governance, leadership and aligning incentives with these goals. But most of the answer, I believe, lies in upskilling and reskilling, in education and training, our core activity at the Chartered Banker Institute since 1875. We – and our fellow banking institutes and other professional bodies around the world (see next page) – have plenty of relevant expertise on the subject, as well as some strong views. In the specific context of the transition to Net Zero, UN Special Envoy Mark Carney has called, in the COP 26 Private Finance Strategy, for a realignment of the finance sector so that *"...every professional financial decision takes climate change into account."* This is a strategy that goes *beyond* COP26 to align finance with the objectives of the Paris Agreement.

To pass what I call the "Carney Test" – if every professional financial decision is to include climate change – then every finance professional needs to develop their knowledge and understanding of climate change, green finance and sustainability to the extent relevant to their role and organisation. This then needs to be applied to advise, finance and support customers and communities as they transition more sustainable, low-carbon futures.

For more information on the Chartered Banker Institute's work in this area, please visit charteredbanker.com

Simon Thompson

Bankers meet the challenge of passing the "Carney Test"

JUNIOR WARDEN NICK GARNISH ON HOW INDIVIDUALS, FROM THOSE AT THE START OF THEIR CAREERS TO THOSE NEAR THE SUMMIT, CAN BE FIT FOR PURPOSE

Simon Thompson has posed (previous page) the "Carney Test," of including climate in every professional financial decision. How do we meet the "Thompson Test," laid out opposite, of upskilling and reskilling all bankers? How do we gain the knowledge we need as financial professionals to advise, finance and support customers and communities, with the goal of creating shared, sustainable prosperity that encompasses the economic, environmental and social aspects of sustainability?

Do all bankers and our colleagues across the City and beyond need to become deep ESG or sustainability specialists themselves? Do we need to double, quadruple or even increase tenfold the number of specialist sustainability professionals working in finance? No, because although that will help, it won't move the dial sufficiently.

As Simon Thompson has pointed out, what we need is financial professionals using their professional knowledge and skills, of credit and lending, investment, and risk management, to do what we do best: "transform unproductive savings into productive investments; in this case lending and investing in sectors, firms, technologies and projects that generate sustainable environmental and social returns alongside financial ones."

Nick Garnish

I was privileged to sit on a panel led by Simon developing a new exam on climate risk, recently launched by the "Chartered Body Alliance," the grouping of some 200,000 financial professionals working across our sector, members of the chartered banking and insurance institutes, and of the Chartered Institute for Securities & Investment (CISI), whose Risk Forum I chair.

The Alliance partners chose climate risk because, collectively, we recognise that understanding, identifying, measuring, managing and disclosing climate, environmental and sustainability risks (especially climate risks) have become a priority for policymakers, central banks, financial regulators and the financial services sector in recent years. These are seen as significant sources of risk to customers, businesses, financial institutions and the economy overall in the short, medium and long terms, with the potential to threaten institutional and global financial stability. These are not new or emerging risks, however. The direct costs of climate-related events, and the need to invest in climate-resilient infrastructure, have been apparent for some time.

We also believe that while the Certificate in Climate Risk has focused on climate risks, the same approaches and techniques used to assess these can also be used by asset managers, investors, insurers, banks and others to identify opportunities from the transition to net zero.

And the demand from clients extends beyond climate, to the other UN Sustainable Development Goals. Simon Culhane, CEO of the CISI, sees significant growth in demand from clients across that member base – on capital markets, wealth management, and financial planning – for more impactful investment in areas like agriculture, health, and education.

This is no mere nod to philanthropy, or corporate social responsibility, according to Simon Culhane

It is about using the disciplines of sustainability and responsible finance to generate both financial returns for shareholders and sustainable returns for society, "a fitting objective for COP26 in Glasgow, the city where the great Adam Smith wrote and taught and laid down his wise principle of 'enlightened self-interest'."

Our Certificate in Climate Risk considers physical, transition, and liability risks in some detail.

Nick Garnish is the Head of Treasury, Europe, Asia & Australia for CIBC, based in London. He joined from LCH Clearnet where he was the Global COO for Collateral and Liquidity Management. He was until recently Chair of the WCIB Finance Committee. For more information on the work of the CISI in this area, please visit www.cisi.org/responsiblefinance

Actions stations on climate in the Livery

WE ASK ALDERMAN AND SHERIFF ALISON GOWMAN ABOUT THE LIVERY CLIMATE ACTION GROUP

What is the overall aim of the Livery Climate Action Group?

Our mission is to engage with Livery Companies and encourage interest in the topic of climate action, and to share guidance and information between the Livery Companies to create meaningful – and rapid – change.

How will the group work?

We launched our website and our guidance and practice notes in October. We are very grateful to the 10 Livery Companies who have helped crowdfund the work on the website – the Chartered Architects, Chartered Surveyors, Constructors, Engineers, Fuellers, Gardeners, Glovers, Merchant Taylors, Water Conservators and Wax Chandlers – and the others such as the Information Technologists and Marketors who have provided excellent professional help along the way.

What are Livery Companies doing already?

Many Companies are already addressing issues of climate change in their own right and within their respective trades and professions – as are the Bankers, with your project on ESG run by our good friend Angela Knight CBE, Middle Warden. There is much to shout about and to build on. Let me give you some examples:

- Pollinating London Together, a charity established by the Gardeners and Wax Chandlers, is a thriving group – see their website at PollinatingLondonTogether.com
- The Fuellers' Livery have been holding a series of events and undertaking work around renewable energy. I gave their Ezra Lecture on 15 September on "The UK's approach to COP26 and our role as President" and there is a further day conference on 15th November on Future Energy
- The Water Conservators' and Constructors' Liveries are both creating a comprehensive Climate Action Plan for their respective Livery Companies which could prove to be useful templates for other Livery Companies. The Water Conservators have also been running events in schools on environmental issues
- The Air Pilots with the Scientific Instrument Makers ran a Green Aviation Showcase on 25 October on the topic of the environment and aviation sustainability.
- The Chartered Surveyors are funding bursaries at the University of Cambridge Institute for Sustainability Leadership in order to help bring expertise and experience into the world of sustainability in the built environment.
- Several Livery Companies have been undertaking seminars on climate related issues, such as the World Traders on ESG and the Engineers on net zero infrastructure.
- The Glovers are keeping in touch with their trade members in the gloving and leather industries to understand how they are meeting the growing international and environmental standards demanded in the manufacturing supply chain.

The work of these and other Livery Companies is being captured in short videos to be able to showcase the current work and act as a baseline from which to measure the increased engagement and progress over the coming years.

What have we achieved to date?

We have raised funds to meet the cost of our new website. We are planning a virtual seminar in advance of COP26 to highlight the work of the Livery Companies around climate action. And we are creating short videos to showcase the work of individual Livery Companies to date.

What are the main challenges faced by the group?

As with any new organisation we are full of enthusiasm but are now trying to formalise our plans and ensure we can deliver. We face issues such as funding towards a few expenses (eg website capacity) and some assistance in terms of outputs. If you have time to help or know of anyone able to offer time to help our plans including some administration and co-ordination, that would be useful. No in depth knowledge of the topic of climate is needed as we have experts to help and share information.

Contact and follow up

If you have any thoughts on these points or have any ideas or queries or offers of help please contact: Alderman and Sheriff Alison Gowman alison.gowman@cityoflondon.gov.uk

The greening of Canary Wharf

WCIB MASTER ROBERT MERRETT SHOWS HOW CANARY WHARF IS PROVIDING A GREEN AND SUSTAINABLE PLACE TO WORK FOR FINANCE AND THE COMMUNITY

More than 120,000 people work at Canary Wharf, including many financial services professionals. But how many of them have asked how "sustainable" are the buildings, or how "green" is the location they use, or how a "green bond" can finance the future developments in the estate? Canary Wharf Group (CWG) is an iconic London real estate business which has overseen the largest urban regeneration project ever undertaken in Europe. Over the past 30 years, CWG has developed more than 17 million square feet in London's disused docklands into one of the world's foremost business districts, with more than 11 million square feet of further development now planned. CWG owns more than 40% of the buildings on the estate, and manages the common parts and a number of the buildings on the 100-acre estate, which comprises 30 office buildings, five shopping hotspots and over 20 acres of open space.

Martin Gettings, Group Director, Canary Wharf Group, said: "For CWG to achieve its sustainable development goals, we need a sustainable development plan. Whilst the definitions for sustainability might have changed over the years, the blueprint has not. We continue to strive for a better environment, a better community, a better business. All underpinned by better ESG performance, now backed by Green Bond finance. At Canary Wharf we call it 'Making Sustainability Real', it's what we have done for the last 30 years and what we will continue to do as we further develop the Canary Wharf estate into a place to work, live and play."

CWG's sustainability strategy has five key parts:

1. Net Zero Carbon Pathway: In 2012, CWG began reporting their emissions under industry guidelines and have since achieved a 34% reduction in overall emissions.
2. Green Building Certification: The portfolio includes nine buildings that are certified very good, excellent or outstanding under BREEAM, a sustainability assessment method for master-planning projects, infrastructure and buildings.
3. Biodiversity: The Canary Wharf estate now encompasses some 8,000 square metres of living, roof space and four urban parks within 20 acres of parks, gardens, squares and fountains.
4. Communities: In 2019, 36% of CWG's spend was with local businesses and £2.9 million in donations and in-kind support was given to the local community.
5. Recycling: In 2018, CWG launched "Breaking the Plastic Habit." So far, more than nine million pieces of single-use plastic have been removed or recycled.

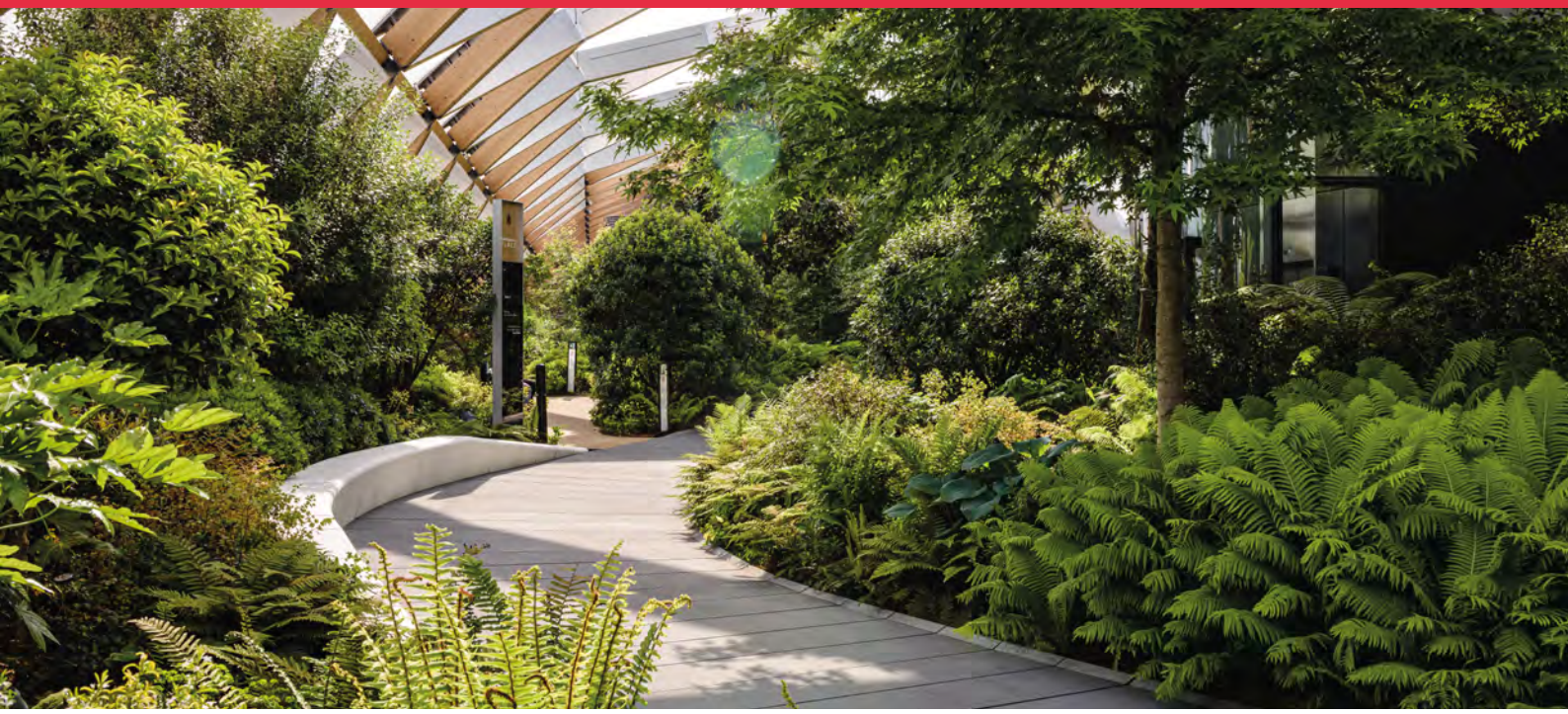
FINANCING THE SUSTAINABILITY REVOLUTION

Green bonds are becoming an essential tool for financing sustainable projects. But what are the key pieces that allow an issuer to call a bond green and what are investors looking for? In April 2021, CWG issued just over £900 million of Senior Secured Notes, consisting of £350 million 2.625% notes due 2025, £300 million 3.375% notes due 2028 and €300 million 1.75% notes due 2026. The notes were issued as green bonds to support climate-related or environmental projects, as part of CWG's long term commitment to sustainability. The bonds were rated investment grade by both Moody's and Fitch.

Becky Worthington, Managing Director and Chief Financial Officer, Canary Wharf Group, said: "As investors become more discerning about the impact they are having, ESG is becoming ever more important, and will open up wider and

Out with the old yesteryear...

...in with the green tomorrow



Crossrail Place Roof Garden

deeper sources of capital for businesses like Canary Wharf Group, that aim to be at the forefront of sustainability within the built environment." As part of the issue process, CWG developed a Green Bond Framework, which follows the Green Bond Principles 2018 administered by the International Capital Markets Association (ICMA).

The Green Bond Principles are a set of voluntary guidelines which recommend transparency and disclosure and promote integrity in the development of the green bond market by clarifying the approach for issuing green bonds

So next time you visit Canary Wharf, take a closer look at the buildings, the gardens, the local businesses. Take a walk in the garden above the new Crossrail station and admire the plants and trees from around the world. Or locate the recently installed drinking fountains to refill your water bottle. You can even look into the docks at Canary Wharf and see a Seabin collecting waste, or stop by an award winning Short Story Station for a mid-day literature break. The successful transformation of Canary Wharf to a green and sustainable working environment for professionals, visitors and residents alike has been taking shape and is rapidly ongoing.

CWG's Green Bond Framework has the following key pillars:

1. Use of proceeds: Allocated to finance a selected pool of new and existing assets that promote the transition to low-carbon and climate resilient growth and which meet certain eligibility criteria (a "green asset pool"). The categories are green buildings, renewable energy and clean transportation, and each category has been identified as aligning with the applicable UN Sustainable Development Goals.

2. Process for project evaluation and selection: A green bond committee oversees the project evaluation and selection process to ensure the selected projects comply with the eligibility criteria defined above.

3. Management of proceeds: A green bond register records the assets and projects in the green asset pool.

4. Reporting: CWG plans to report on the environmental impact for each category using indicators such as:

(i) Green buildings: Number and floor space of green buildings meeting the eligibility criteria based on a BREEAM certification level (outstanding, excellent or very good);

(ii) Renewable energy: Estimated annual CO^2 emissions avoided (tCO^2); and

(iii) Clean transportation: Number of electric vehicle charging stations.

The booming sustainability market

WHY GREEN MATTERS IN BANKING MORE THAN EVER BEFORE

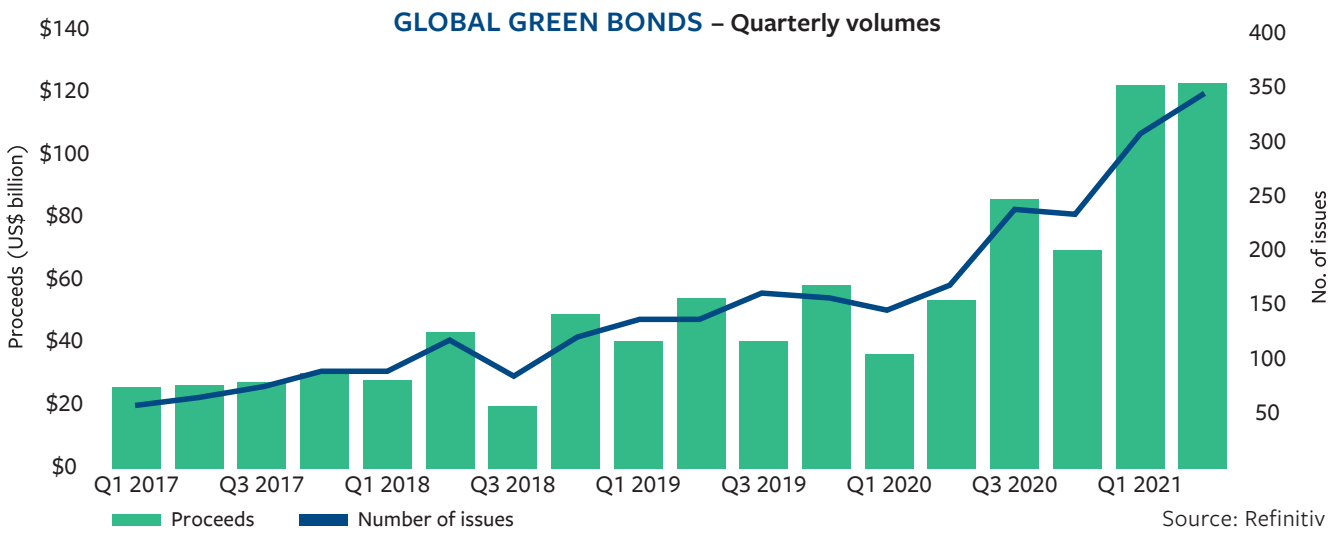
Green bonds are one of the market's fastest expanding asset classes. New issuance reached $246bn for the first half of 2021, nearly three times first half 2020 levels and an all-time record. The number of issues between April and June also set an all-time quarterly record of 341.

Green sovereign debt is also now flooding the markets. The UK Government issued its first such bond in September, raising £10bn. The European Union issued a €12bn green bond in October as part of a €250bn ($290bn) green borrowing programme. Over 20 countries have issued such debt. Behind this issuance lies the Green Bond Principles. This industry-recognised and widely adopted framework provides a checklist for issuers and is designed to ensure that fungible funding raised through a bond issue can be directed and tracked through to eligible projects applying the principle of "use of proceeds" targeting.

More recently, a variation on the theme has gained traction, referred to as sustainability linked bonds, where the overall issuing company's enterprise wide sustainability target is set and linked to the bond's performance. Despite these advances in thinking and frameworks adopted to facilitate the flow of finance, demand from investors far outstrips supply. Many companies and potential issuers still struggle to make sense of what might be required, and the internal organisational demands on setting targets, reporting on them and remaining accountable requires organisational changes. The publication of the EU taxonomy, coupled with greater regulation in the context of national net-zero targets, is helping to create greater momentum and encourage companies to spend the money and make the changes to set meaningful targets, and thereby link their financing to these.

According to Tim Skeet, WCIB Court Assistant: "There is still much debate around what constitutes green in terms of debt linked to companies or projects, how to define different shades of 'brown' and the standards being applied. Nevertheless, implementation of the ICMA's Green Bond Principles was a watershed moment, putting in place a sensible framework to help guide issuers and investors through the developing asset class."

Robert Merrett



Emerging issuer risks for bankers in green bonds

MOORAD CHOUDHRY, FREEMAN, ON THE CHALLENGES FACING BANKERS IN THE SOMETIMES TREACHEROUS WORLD OF SUSTAINABILITY

The climate change debate is high on the world's agenda and the financial services industry is arguably as closely involved in it as any other sector. One aspect of this is the rise in issuance of "green bonds" by governments, multilateral and commercial banks and other corporate entities. increasingly, keen to confirm that the funds they lend are supporting genuinely "green" projects. For this reason, banks that issue in this space are mindful of the issuer risks beyond the purely financial that arise when tapping this investor space. These risks are of relevance not just to the Board but also the asset-liability committee (ALCO) and, where it is in place, any ESG committee.

In the first instance, issuers must guard against "greenwashing". This is hype or spin in which PR and marketing are used, sometimes inaccurately or even deceptively, to persuade the public that a firm's products, aims and policies are environmentally friendly, when in fact this might not be the case. The connection with financial sector issuers? That the funds being raised are not applied wholly and exclusively to genuinely ESG-friendly uses.

Investopedia states:
"A green bond is a type of fixed-income instrument that is specifically earmarked to raise money for climate and environmental projects. These bonds are typically asset-linked and backed by the issuing entity's balance sheet, so they usually carry the same credit rating as their issuers' other debt obligations....green bonds are sometimes referred to as climate bonds, but the two ...are not always synonymous."

This summer the UK Financial Conduct Authority (FCA) opined on the effects of presenting investment products as "sustainable" on consumer investment decisions and the risks associated with this. Investors are, although not necessarily at the expense of yield, highly motivated to invest in green financial products. If funds raised are not in fact used in the way described, then customer confidence and conduct issues are material. So the risk register of any bank issuing green bonds must include the risk of greenwashing – raising funds that make misleading or erroneous claims as to their positive environmental impact.

Another key risk item regards the extended nature of any product or project. This exposure is analogous to a company that implements a "living wage" policy: all its employees will be paid at least the minimum specified living wage. But what of its suppliers, those that the company contracts with? If they themselves do not have such a policy, is that acceptable? A green or ESG-friendly project that is connected, directly or indirectly, with other entities that are demonstrably not so is itself exposed to greenwashing risk. Is the project genuinely green?

There is also a less manageable risk because money is fungible. Is a bank or corporate entity that issues a green bond in the same year that it issues a vanilla bond truly climate and environmentally friendly? Are the former's proceeds ring-fenced from all other company business? From a reputational perspective, it is important to address this as far as practicable.

Finally, a bank in the UK raising green finance, for use in a project in the UK, will have less impact on anything other than the local environment compared to a bank in China or the US doing the same. According to the UN, the UK economy generates less than 1% of global carbon footprint output (CO^2 and sulphur emissions), so there is only so much impact that change in the UK will have on the global environment and global climate change.

Moorad Choudhry is Founder of The Certificate of Bank Treasury Risk Management, and author of The Principles of Banking.

Terra Carta: putting sustainability at the heart of the private sector?

FREEMAN STEVEN LIZARS ON HOW THE PRINCE OF WALES HAS BROUGHT HIS ENVIRONMENTAL AND SOCIAL INTERESTS INTO THE HEARTLAND OF BANKING

As the Prince of Wales sets out in his book *Harmony* in 2010, "The many environmental and social problems that now loom large on our horizon cannot be solved by carrying on with the very approach that has caused them." How true that was and remains.

In 2010, I was working for the then still sprawling RBS and was focused on a more micro but parallel set of problems. After the global financial crisis, stakeholders of all manner were united in the view that a new approach was needed, and that banks like RBS and the wider financial system could not carry on in the way they had before.

Perhaps it was the humbling of the crisis and the opprobrium heaped on the financial community. Possibly it was the new cadre of outwardly facing financial services leaders. Or, maybe it was the process of recognising the interconnectedness of the financial system, revealing a potent tool that could be repurposed for good. Irrespective of the causes, it would be a rare individual in financial services that has not yet encountered a step change in the way that sustainability is approached by regulators, customers, investors, leaders and employees.

The Prince of Wales

Topics that the Prince of Wales has spoken about for 50 years are now increasingly the fodder of not only risk and capital allocation committees, but key components of strategy and purpose

At the beginning of 2020, the Prince began to gather a global "coalition of the willing" who share his vision of the need to accelerate global progress towards a more sustainable future. The Sustainable Markets Initiative (SMI) was born and along with it an ambitious agenda to convene, connect, amplify, accelerate and, importantly, act.

The financial services community, with its unique reach and connection, has been an avid supporter across banks, insurers, private equity, asset managers and asset owners.

Throughout 2020, the Prince approached CEOs of global firms to provide the resources that would form the backbone of the secretariat of the Initiative and drive its agenda. I arrived from my employer NatWest on a secondment to join a highly competent and impressive team formed from secondees from, amongst others, Bank of America, HSBC, State Street, BP, EY and KPMG.

The work and achievements of the SMI to date have been extensive. The Prince of Wales has immense convening power and has drawn together Global CEOs around a range of key sustainability themes and topics, from plastics to hydrogen and financial services, to shipping.

More than 30 roundtables have been held and a series of taskforces established. They are working to deliver tangible actions by applying their knowledge and experience to find solutions, identify game changers, and overcome barriers and risks to the transition to a more sustainable future. Importantly this work has been elevated by the Prince to the attention of global leaders, and I was delighted that my

CEO and, Honorary Freeman of the Company, Alison Rose, accompanied the Prince of Wales and other global CEOs to the G7 in Carbis Bay this year.

The SMI launched the Terra Carta in January 2021 as a charter that puts sustainability at the heart of the private sector and the importance of nature, people and planet being at the core of global value creation. This has now been signed by over 300 leaders of private sector companies of all sizes.

There is also an active dialogue with Commonwealth countries, often those with low and medium incomes and often at the forefront of the ill effects of climate change. Many of these countries have ambitious sustainability agendas and the desire to attract private capital to help deliver on this. Projects range from nature based solutions to transformative investments in green hydrogen, and from concept stage to active solicitation of investment. One part of my role is working with the extensive investor and financier relationships of the SMI to make connections between investors and countries and reaching beyond the SMI community to make new investor connections where necessary. I also work with a growing group of investors that are actively building out portfolios focused on natural capital investments. We are growing the Natural Capital Investment Alliance around an ambitious agenda to increase the quantum of investment directed to this important emerging asset class

All secondees coming to the SMI bring a different set of skills, knowledge and experience. In my prior role at NatWest I had responsibility for a broad range of advisory and expert content business lines and a background in financial structuring. I also have a passion for sustainability, having been senior sponsor for sustainability and sustainable finance in the markets business and worked on NatWest's climate strategy. Amongst my SMI colleagues can be found diverse expertise from communications and complex project delivery to research and administration.

Common among them all is a passion for the vision of the SMI and the backing of their sponsoring employers to contribute towards a new approach.

In the wake of COP26, the agenda of the SMI continues to grow. It seeks out new relationships and aims to increase the "coalition of the willing." Whether it is signing up to the Terra Carta or providing secondees, I have every confidence that the financial services community will continue to be a key contributor to the success of the SMI and play its part in ensuring that we do not carry on in the way we have before.

Steven has worked in investment banking for nearly 30 years in a variety of leadership roles and has extensive experience across capital markets, financial structuring, sustainable finance and advisory (www.linkedin.com/in/steven-lizars). He is presently Investor Engagement Director at the SMI (www.sustainable-markets.org).

Paola Bergamashi Broyd

Big Society Capital marries the E and the S in ESG

FREEMAN PAOLA BERGAMASCHI BROYD SPEAKS WITH STEPHEN MUERS, CEO OF BIG SOCIETY CAPITAL, ABOUT HIS BOTTOM UP APPROACH TO INVESTMENT

Much public debate this year has been devoted to the climate agenda. In many countries, extreme weather events causing floods and fires have kept this at the forefront.

What can be done? The main calls for action have been discussed at the macro and policy level, driven by central banks, major financial institutions, international think tanks and the occasional government committee. Some people think this "top down" approach to the problem might bring progress, others, more sceptical, believe it will be too little too late, but many of us are convinced nothing will succeed until and unless it is accompanied by an equivalent or even more pronounced "bottom up" commitment to initiatives and investments that are identified, driven, and executed at the local community level.

One of the major UK investors in the social impact space is Big Society Capital (BSC). For BSC, delivering a sustainable solution to social problems is a key driver of the investment decision, not simply one of the ESG strategies to adopted and be ranked against. Created by the UK Government after the 2008 banking crisis and funded by the "big four" commercial banks in this country, BSC now manages nearly £700m of assets and has attracted £1.5bn more from co-

investors over the years, all centred in the UK. What BSC delivers and nurtures is that bottom up/action driven/community led approach (very often but not always incentivised by good policies).

I asked Stephen Muers, BSC CEO and Chair of the Friends Provident Foundation, to share with us more colour, and his strategic perspective on how to develop and expand the flow of investments to bottom up initiatives that marry the E and the S in ESG. His reply is very clear, a proactive rather than a reactive approach to environmental and social investing is the answer.

"In my view," says Stephen, "the E and the S are intimately linked. This is less clear if you see ESG as purely about risk mitigation and avoiding the worst negative consequences but becomes obvious once you move beyond that to intentionally trying to create positive impact, in the way we do at Big Society Capital

"The negative impacts of environmental damage fall disproportionately on those without the resources to adapt. And building sustainable support for the transition to zero-carbon means managing the process in such a way that it is fair and equitable (often called the "just transition").

The E of ESG has often been attracting most investment flows; some investors have prioritised it, environmental metrics like carbon emissions are relatively easy to measure compared to the range and complexity of social concerns and there have been plenty of investable opportunities in the environmental field. In 2020 I chaired the "ESG Investing Olympics" where three charitable foundations, including Friends Provident, ran a public process to find the best-in-class fund managers. We had a huge response, from established industry leaders to new managers trying to disrupt the system. Overall the S was still generally weaker, but in the leading contenders we saw real progress towards strong social impact. The competition was won by a then-new offering from Cazenove, their Sustainable Growth Fund.

We progressed the conversation and I asked him for some examples of investments in the BSC portfolio that better embody this cohesive approach to the E and S. He provided two strong ones where Big Society Capital has backed that combined environmental and social and community benefit. "One is Gridserve, a solar project in Yorkshire backed by the Leapfrog Bridge Fund that we invested into.

The two sites involved will save 240,000 tonnes of carbon emissions over their lifetime – but crucially this is combined with using some of the surplus from the scheme to create a Community Benefit Fund that backs social wellbeing programmes in the local area, and finances fuel poverty reduction projects. Another example is AgilityEco, which is an investment we made through Bridges Fund Management's Evergreen fund. AgilityEco plans, manages and delivers innovative services that support households living in fuel poverty. The company provides practical help with energy efficiency, utility bills, household finances and vulnerability, while also working closely with local authorities, housing providers and charities to find the households most in need. It is largely funded through utility companies meeting their regulatory obligations, as well as local authorities".
But are there vehicles that allow retail investors as well as institutional money to select a very focused E and S investment strategy? Stephen continues: "The last example I mentioned (the AgilityEco) is one of the holdings in the Schroder BSC Social Impact Trust. This is an investment trust launched on the London Stock Exchange in December 2020, aiming to give a wider range of investors access to high social impact investment opportunities in private markets, tackling social challenges across the UK and with transparent impact reporting aligned to the UN Sustainable Development Goals."

The fight for a stabilisation of our climate will certainly need government support and macro-level agreements with well-defined targets, but it will unlikely succeed without the support and initiatives of our local communities.

Paola has 30 years experience of capital markets in the City of London where she covered senior management positions at Goldman Sachs, Credit Suisse and State Street. She is currently on the board of BNY Mellon International (asset services), Wells Fargo Securities International (broker dealer), ARCA Fondi SGR (asset management), Arrow Global (a FTSE company active in the NPLs sector). Paola is also the Industry Director of the Institute of Finance and Technology at UCL in London and has been involved in impact investing for many years.

Stephen Muers,
Friends Provident Foundation

Angela Knight goes back to the future

OUR MIDDLE WARDEN BRINGS HER FINANCE AND SCIENCE NOUS TO BEAR ON COP26

For all the apparent diversity of views the participants in COP26 were agreed on one universal certainty that "something must be done". So with the many words expounded and grand promises made, what is needed now is a clear plan to operationalise the main commitments made at the end of those two weeks in Glasgow.

The UK as with all the major global economies, is decarbonising electricity as the first major step. In this last decade or more, governments of all hues have been focusing on building renewables, primarily wind, and closing coal. By the beginning of November 2021, the UK had 11,018 wind turbines with a total installed capacity of over 24.3 gigawatts. In 2019, this made us the sixth largest country in terms of wind capacity, it contributed a quarter of UK electricity supplied in 2020 and this will increase further as the Government has committed to a major expansion of offshore capacity by 2030. Meanwhile coal fired power stations are all but gone and gas power stations, largely ignored.

What seems to have been overlooked though is that one gigawatt of wind does not replace one gigawatt of coal or gas or nuclear, as wind is intermittent. Renewables need back-up so every 1G of wind (or solar) needs 1G of reliable backup, unless in our homes and in our businesses, we are prepared to shut down when the wind doesn't blow. But with little focus on backup, coal has nearly gone and another facet of energy policy means that a significant number of gas fired power stations are mothballed (a policy that should be ditched for the time being as these stations are needed). Though gas is more carbon friendly than coal, it is still a carbon emitter and so for the long term something else is needed. Meanwhile other policies are designed to increase consumption – think electric cars, et al. The UK is close to being short of power, particularly in the really cold part of the winter, when an anticyclone often settles over Europe for weeks at a time and there is neither sun nor wind. The big electricity users are our major industries; steel, pharmaceuticals, manufacturing generally, and food and it is unrealistic to interrupt production.

More back-up is needed, but what are the possibilities ? The range from biomass through better insulation to tidal and importing electricity – and battery storage – is wide, but they all have their issues. Nuclear? Before the lobby groups jump up and down and shout Fukushima and Chernobyl, Fukushima was hit first by an earthquake and then by a tidal wave and they still shut it down safely. Chernobyl was a poorly built facility in a badly run outpost at the fag-end of the Soviet Union. The UK by contrast has a robust safety record and our safe (if old) generators are still producing about a fifth of the country's electricity last year

And so to gas; used in the U.K. for power generation, in industry and to heat our homes. We are one of only a few countries globally to use gas for heating and the reason for this is historical. The country sits on its coal fields and until the mid 1960's, the gas we used was produced from coal and was a mix that included carbon monoxide, hydrogen, nitrogen, volatile hydrocarbons.
With the discovery of gas in the North Sea and which is predominantly methane, in the mid 1960's this was piped across the country replacing the "gas-from-coal". It was cleaner, smelt better and gas central heating proliferated. But today, if we are to meet our carbon targets, then alternatives to gas central heating need

Angela Knight

to be found. Heat pumps remain an option, but are costly, with large pipes, the temperatures achieved are modest and they are mostly only suitable for new build.

Linking together pre North Sea gas, electricity generation and the future, is hydrogen. With the back-up issue solved, when it is windy, there will be an excess of electricity and especially overnight. So use this surplus to electrolyse water - two molecules of H2O yield one of oxygen and two of hydrogen - to produce what is known as "green hydrogen". Hydrogen can be readily stored and can be used to dilute the current methane in the gas mains - and later on, maybe to replace it with a mixture of hydrogen plus inert and other carriers, to get the combustion, thermal output and safety right. And low carbon heating for our houses for the future.

With emotions and protest marches parked, a clear and straightforward plan to operationalise the COP 26 commitments is most likely to attract the finance needed, get the cooperation of industry and the brightest brains engaged and have a good chance of bringing the population along too. We meet our commitments and provide a template for others. But let's also be honest about costs, decarbonisation is not going to be cheap.

Europe's dominant economy faces challenging problems

PROFESSOR JOHN RYAN REPORTS FROM GERMANY ON THE STAKES FOR ALL OF US IN THE ECONOMIC GIANT'S RECENT ELECTIONS

On 24 November 2021 Germany's Social Democratic Party (SPD), Greens and liberal Free Democratic Party (FDP) reached a deal on forming a new government, paving the way for Olaf Scholz to succeed Angela Merkel as the new chancellor. The three parties are known as the "traffic light coalition" owing to their colours – red, green and yellow.

The deals were being put to the wider parties for consideration in early December. If all parties approved, the intention was that they would be done in time to have Scholz elected as chancellor in the week starting 6 December, sticking to the parties' intended timeline. Annalena Baerbock of the Greens was widely expected to become foreign minister with Robert Habeck, as co-leader of the party, Economic and Climate Affairs minister. Christian Lindner, leader of the pro-business FDP, under the plans would become the new finance minister.

Olaf Scholz, the leader of the SPD, had turned out as the winner of the German federal election, with the strongest mandate to build a new government, as his party won 25.7% of the votes. This was almost two percentage points more than Armin Laschet, head of the Christian Democratic Union/Christian Social Union (CDU/CSU, or Union parties) (24.1%), more than ten percentage points ahead of Baerbock, the candidate of the Greens (14.8%), and more than 14 points ahead of Lindner and the FDP (11.5%).

German politics has become more fragmented over the last 20 years. The long-standing dominance of the two main blocs – the CDU/CSU and SPD – has broken down: in 1998 they took 76% of votes between them compared to not quite 50% this year. The race for Chancellor was a personality contest, with the party contest taking a back seat. This was reflected in the parties' approvals, which were changing rapidly over the summer. Scholz's campaign impressed voters, while the Laschet and Baerbock campaigns were drab in comparison.

The FDP and the Greens have a similar voter base: affluent, urban, and well-educated, but the parties belong to rival ideological camps. They lean different ways on economic solutions to social problems and are far apart on how to go forward on the biggest issue in this election campaign: the climate crisis.

There is also common ground. The Greens and FDP agree that enhanced and well-resourced digital and education policies are necessary for Germany in the 21st century. They also share common ground on the need to renovate and liberalise the country's immigration policy. The pressure to compromise during the coalition talks was more acute for the FDP leader Lindner who could not afford to bargain too hard and risk other parties walking

away. That would have called into question his leadership, especially after he had walked away from a proposed CDU/CSU, Green and FDP, or so-called Jamaica coalition in 2017.

On foreign policy, the Greens and FDP both say they want to strengthen the European Union. They also both want to make the EU's foreign policy more efficient, and there is considerable overlap on the role human rights should play in foreign policy. Both parties see China and Russia with a critical eye.

Despite a result that was narrower than expected, the German electorate, nevertheless, appears to indicate a desire to see a shift in the country's post-Merkel political landscape away from the CDU/CSU. While coalition talks take place, Merkel's government remains in office taking only essential decisions and making no major policy changes

The 2021 German election strengthened the centre and weakened populism. While a change from Merkel is a seismic shift, Germans decided to vote for political stability at the same time. With Scholz as the new chancellor the SPD is set to move towards a more progressive centrist position.

There has been a problem in German politics caused by the lack of a credible alternative to an Angela Merkel-led government. Much of Merkel's success was built on capturing the centre, to the annoyance of many on the right who saw in this shift the reason for the success of the radical right Alternative for Germany (AfD) party.

Over the last 16 years, Angela Merkel has hollowed out German politics ideologically. Her style of borrowing policies from other parties was the classic approach of Merkelism, but a coherent vision for the centre-right has all but disappeared.

The German Chancellery has been centralising powers for years, leaving the Foreign Ministry less important than the last time the SPD was in power (1998-2005). But the pressure will be on the Foreign Ministry to work better with the US and with colleagues in Europe instead of Merkel's special relationships with China and Russia.

As per the coalition agreement, the Foreign Ministry is lined up to go to the Greens, so it will be their party positions on foreign policy that will provide direction, albeit moderated by their two coalition partners. The Greens say they want to strengthen the EU, and particularly the European Parliament. They and the FDP also both want to make the EU's foreign policy more efficient. On Russia and China, the Greens pursue a strongly value-based approach, rejecting Nord Stream 2, which they say is against the EU's geopolitical interests. The SPD want to keep a working relationship with Russia and support the controversial gas pipeline project, approval for which has just recently been put on hold. The Greens also support sanctions on Russia, especially on human rights violations.

The Greens see China increasingly as not only an economic partner but as a rival and systemic challenge. This reflects a general focus on democracy and human rights in foreign policy. When it comes to dealing with authoritarian regimes, the Greens advocate a dual approach of 'dialogue and toughness' and demand an end to China's 'blatant human rights violations'; they also have reservations about the EU's investment deal with China. All this

John Ryan

combined would signify a significant shift and sharpening of German foreign policy positions.

The EU faces major challenges over the post-pandemic recovery, the climate crisis, a likely rule-of-law confrontation with Hungary and Poland, and the ongoing difficulties in the relationship with the UK. The EU needs an engaged Germany able to bring ideas to the table and demonstrate leadership, particularly with Macron facing a very difficult re-election campaign in France in 2022. France assumes the presidency of the Council of the European Union in the first half of 2022.

Germany is at a crossroads politically and generationally. The new government will have to reinvigorate the political debate where coherent positions have been hollowed out. Its success will ultimately depend on its ability to find compromise to govern effectively in a three-party coalition while allowing space for distinct policy positions among the partner parties to develop.

Coping with crises: we have been here before

FREEMAN KATHLEEN TYSON ON THE CITY'S THOUSAND YEARS OF MULTICULTURAL COLLABORATION IN CRISES

When Alderman Vincent Keaveny addressed the Company in September 2021 he called for a spirit of multicultural unity in the City to define and promote standards to address climate change. Embrace of multicultural unity, or at least common interest, is essential to breaking the collective action trap of nationalist thinking on climate and other global challenges. It is particularly needed now that the Covid-19 pandemic has widely disrupted global investment, growth, and employment, leaving the most vulnerable nations facing wide divergence in recovery.

The City of London has provided a global model of multicultural unity and mercantile collaboration in crisis for a thousand years, and it can again today. Multicultural cooperation was enshrined as the basis for self-government in London in 1066 when Normans, Franks and Angles together demanded preservation of London's self-rule. William of Normandy besieged the City with his armies, built a siege-engine to break the barbican, and mined under London's walls to weaken them against a hail of stones.

He then bellowed threats, menacing vengeance and battles, swearing that, if given enough time, he would raze the walls, he would level the towers to the strand, he would demolish the proud keep to rubble.

Carmen Widonis, Lines 675-79 (Author's translation)

The entire London garrison fell at Hastings with King Harold, but the aldermen and citizens of London still held out for a negotiated truce. It was London's bishop and portreeve who demanded truce, its citizens who manned the walls.

Londoners prevailed. They gained London's Charter of Liberties as the first royal enactment of a newly anointed King William. The Corporation of London still holds the charter today in the Metropolitan Archives.

King William endowed the magistrates and multicultural citizenry of London with liberties, protection, and inheritability of wealth. That charter – addressed to the burgesses Frencisce et Englisce (both Frankish and English) - inspired London's aldermen and England's barons to negotiate a Charter of Liberties with Henry I Beauclerc in 1100 and Magna Carta with King John in 1215.

Trade from London to Normandy, Flanders, Gaul, and the Mediterranean flourished after the Norman Conquest as London's self-rule invited wider migration and settlement here and similar privilege for other trade capitals abroad. Multicultural mercantile trade and finance globalised east and west, north and south, in the age of empire.

London's traders, markets and bankers collaboratively determined the best practices and standards promoting global trade, markets, and finance better than any king or minister ever could. The vision to promote a global mercantile prosperity took substance in London, not in Westminster or remote national capitals. London was the inspiration for mercantile self-rule at free ports in Hong Kong, Singapore, and New York in later centuries.

Once again London's multicultural traders and bankers can come together in a crisis to demand both governments and corporations cede narrow prerogatives in the global collective interest. Global standards agreed, measured, enforced by collaborating global financial institutions, markets, and trade groups can ensure the climate crisis is not a collective action trap or tragedy of the commons.

What's past is prologue. The City of London's multicultural and globalist past fits us to lead the change we need now for shared prosperity and security in future.

William I's charter of 1067 addressed to the bishop, portreeve and burgesses in London, guaranteeing the citizens' rights [unspecified] as their fathers held them in King Edward the Confessor's time

Kathleen Tyson is chief executive of Pacemaker.Global and holds a 2017 MA (Hons) in Medieval History from King's College London. Her book, Carmen Widonis – The First History of the Norman Conquest, contains the fullest account of the 1066 siege, surrender, and triumph of London.

T Levels: your guide to the newest qualification in finance

LIVERYMAN WEIYEN HUNG SHARES THE BIGGEST TECHNICAL EDUCATION REVOLUTION IN DECADES

What are T Levels?

The 2016 Sainsbury Review of Technical Education and Government Skill Plan set out an ambitious framework for changes to post-16 technical education built upon a routes based system found in many northern European countries. With this background, Technical Levels (T Levels) were introduced as new courses which follow GCSEs. These two-year courses, which launched September 2020, are an alternative to A Levels, apprenticeships and other 16 to 19 courses. Equivalent to three A Levels, a T Level focuses on vocational skills and can help students into skilled employment, higher study or apprenticeships.

What are the differences between T Levels and apprenticeships?

The main difference between them is that T Level students spend 80% of the course in the classroom, learning the skills that employers need. The other 20% is an inspirational industry placement of at least 45 days, where they put these skills into action. In short, T Level students spend more time in the classroom than apprentices, but still gain excellent real world experience.

What will students learn in T Levels?

A lot! Using T Level in Finance (which starts in 2022) as an example, students will start with the core elements including: the business environment, fundamentals of financial accounting, professionalism and ethics, and data driven innovation and analytics and design thinking. After the core, they will choose to deep dive in one of the following specialisms: retail and commercial banking analyst, investment banking and asset and wealth management analyst, insurance practitioner, or financial compliance/risk analyst. All of these should sound very familiar to WCIB members.

What could T Level in Finance graduates do?

Although the course is designed at Level 3 with people aged 16 to 19 year olds in mind, this course is suitable for anyone interested in a career in finance. The aim is to open life-changing opportunities after the course. The most obvious one is being directly employed, for instance, as a banking analyst, insurance underwriter or specialist wealth adviser. People could also use this T Level to progress to a related higher-level apprenticeship or course of study at a higher level (e.g. universities).

Who designed the Finance T Levels?

T Levels, different to many previous technical qualifications, have been developed in collaboration with employers and businesses so that the content meets the needs of industry and prepares students for work, further training or study. Back in 2017 when the T Level panels were formed, I was very fortunate to be asked to chair the Finance panel. It was an once-in-a-lifetime opportunity to work with government, other leading employers and professionals in this vital role of readying our young talent with the knowledge and practical skills employers really need.

My panel and I believe T Levels will offer young people genuine opportunities to move to the next level, providing every chance to succeed whatever their background, wherever they live, or whatever they choose to do

How could WCIB members get involved?

As an individual, you could work with schools/colleges and offer industry placements to T Level students. This not only gives our future talents great opportunities a taste of the real world, but also gives you the chance to work with your potential future colleagues. As an employer, you could become part of the employer validation panel that ensures T Levels are highly relevant and most up-to-date for your needs. The T Level students you see today will be your lawyers, financiers and accountants of the future!

Weiyen Hung is currently a manager at the Bank of England and has spent more than 10 years in the finance industry. He is also a board member of the CFA Society UK and became a Liveryman in March 2021. For more information, search T Levels in Finance

Weiyen Hung

The City machine - how many truly understand how it works?

FROM A WELL-EARNED RETIREMENT, OUR NEW COLUMNIST, A COUNTRY MOUSE, BELIEVES THAT AN UNDERSTANDING OF HOW THE CITY WORKS IS VITAL FOR ALL

Everyone is equal in retirement. Career and status are history. It's quite a shock. For me it put a career in finance and the City into perspective. So I wondered how my new countryside friends viewed both. The good news is that they no longer offer sympathy for a career in them, which they did after the global financial crisis of 2008.

The bad news is that they are no longer interested to talk about it. The City is treated as a place where your children might work doing unknown jobs; finance is limited to trying to learn how to use an online bank account. Pensions are received remotely without any knowledge of where they come from. They sleep better with a healthy cash balance in their account. If well-off, they will have unquestioning and often blind faith, in their financial adviser.

Does this matter? Would greater knowledge of their finances and of the impact of the City on the real economy make a difference? My clear answer to this is that it is important. The most obvious reason is that my friends are otherwise unlikely to be aware of the consequences of their financial decisions – for good and for bad. As critical is that they will be aware of the importance of finance and the City in the country's economy, and of the impact on all of us of not supporting it when necessary. A recent example is the Brexit negotiations – with financial equivalence relegated behind cars and fishing which are much smaller in the economy. If more voters had understood this and influenced the Government, the result could have been very different, avoiding the losses the City has suffered.

So what can be done about it? The City UK does a good job in researching the impact of finance and of the City on the economy, and producing figures. But their message has not been heard by my countryside friends. Additional distribution is needed. Partnerships with like-minded organizations could well help. For example the *Financial Times* has a current financial education campaign; banks are desperately trying to educate customers to avoid scams; and the Government and Financial Conduct Authority are advertising strongly to pensioners to understand the consequences of withdrawals.

I see no reason why the City, and the Company, should not join with other financial livery companies, in publicly supporting and encouraging these initiatives

Wanted: A Keeper of The Library of Mistakes

KEEN TO LEARN FROM HISTORY? A LIBRARY BUILT IN EDINBURGH – SUPPORTED BY COMPANY MEMBERS – MAY HOLD THE KEY. PROFESSOR RUSSELL NAPIER REPORTS

Russell Napier

There are those who cling to the illusion that supply, demand and price remain the key factors allocating resources in developed world economies. It's a reassuring illusion because an education in finance, whether in the classroom or in capital markets over the past 40 years, has equipped one to believe that such elemental forces are always dominant in forming price.

Of course this has not always been true and anyone from the developed world over the age of 50 will likely have lived through a time when resources, particularly capital, were allocated by the private sector under the watchful eye and guidance of the state. That we are returning to such a system is more evident almost every day. That there are few who understand what it means or know how to manage money in such an environment is also clearer every day. It need not be this way. Those seeking enlightenment in how the world now works from the way it once worked can find it at The Library of Mistakes.

Not everyone is lucky enough to live within reach of a Library of Mistakes. If you are a citizen of Edinburgh, Pune or Lausanne you are amongst that happy band who can visit these free public libraries and learn about the impact on asset prices of the suspension of market forces and of course much more besides.

The Library of Mistakes is a business and financial history library where in learning the lessons of the past we seek to reduce the number of mistakes you are likely to amass in planning your financial future. Preserving real wealth through investment may require real genius or it may just involve making fewer mistakes.

Statistically the secret to winning at amateur tennis, of a certain level, involves getting the ball over the net. That task achieves the most likely outcome if your opponent fails to accomplish a similar task as they focus on something slightly more ambitious than just getting the ball over the net. Attempting to profit in financial markets pits you against a myriad of competitors but avoiding their mistakes is still the key to ultimate success.

Markets discount and sometime in that discounting there is a mass mistake. Those with a schooling in financial history are better equipped to avoid such mass mistakes.

Whatever we will ultimately call the game savers are currently playing it is less and less about assessing supply and demand and the consequences for price. It now involves supplementary questions such as does the government like the price? If it does not like the price what might it do to change that price? What might the new price be? Perhaps most importantly what are the unintended consequences of a government changing a market determined price?
Not many business school students are schooled in this new game but a financial historian has seen this game played before and seen the consequences for asset prices and well beyond. Those with only a business school education may now be pursuing the right answers but to the wrong questions. It is time to broaden one's horizons and attempt, through a study of financial history, to establish what will be the new right questions. The man, or woman, in the market arena unequipped with an understanding of the impact of our current regime change is someone ill-equipped to win the battle for investment survival.

Why does London not have a Library of Mistakes? Could it be that mistakes are just something that are foreign to the metropolis?

Today your education might only be possible with a four hour and twenty-minute train ride to Edinburgh. The speed of travel may have accelerated since the eighteenth century but that is still too long to travel in pursuit of enlightenment. Will you be the person or institution who brings a Library of Mistakes to London? Will you be the person or institution who helps us live up to our motto in "Changing The World One Mistake At A Time"? Establishing free public libraries may not be the path to riches but it is one of the paths to enlightenment.
For further details contact Russell Napier (Keeper of The Library of Mistakes (Edinburgh)) and for a more formal and fully online education in financial history for investors please visit www.didaskoeducation.org.

Company charitable activity surges ahead

CHARITY AND EDUCATION CHAIR ALI MIRAJ ON THE BLOSSOMING OF THE COMPANY'S OUTREACH WORK DURING THE PANDEMIC

The Charity and Education Committee has been busy in recent months. We provided a grant of more than £9,000 to School Home Support (SHS) which aims to break the cycle of poverty and educational underachievement through early intervention, by supporting families and ensuring that children get to school. One in nine children is persistently absent from school.

SHS employs practitioners that act as a bridge between home and school. They spent £3 million in 2021, with the bulk of the budget coming from donations. The WCIB has given more than £30,000 over a five-year period. Our latest donation was used to support the economic well-being tool kit that allows families to manage their finances better and to access government support appropriately. A total of 385 people have directly benefited from the toolkit. SHS is now using videos to bring the content to life and to increase user engagement.

Following a grant of £2,000 which we gave to Greenhouse Sports as part of the "pitch your charity" initiative earlier this year, the charity presented an overview of its activities to the committee in June. It employs 60 coaches (one per school) across London in areas of deprivation and runs the Greenhouse Sports Centre in Marylebone. They specialise in getting the kids involved in table tennis, tennis, basketball and volleyball and record that children in their programmes attend school between four and eight days more per year than those that do not. The coaches are fully embedded in the schools they work in. Their overall annual turnover is some £5 million, and they are keen to continue to develop the relationship with the company.

Ali Miraj

In addition, the committee approved a grant of £1,000 to Guildhall School of Music and Drama, with members Scott Levy and Vikas Aggarwal appointed to manage the relationship going forward. We continued to support TalentEd with a grant of £1,000, which provides small group tuition to disadvantaged young people to help them to achieve their full potential. Our donation will facilitate the delivery of two additional online programmes to support a further eight young people over 12-15 weeks, covering the cost of tutors and programme management.

We also provided £1,000 to the Clement James Centre which will be used in their Young People's Education programme. This provides after-school academic support, undergraduate student and corporate mentoring, study weeks, careers workshops and one-to-one literacy and numeracy support.

A review of the Lombard Prize was concluded by Peter Green. The work considered the purpose of the prize, how the process currently works, its strengths, and recommendations to further enhance it. I would like to personally thank Peter on behalf of the C&E committee for his considered, thoughtful and thorough review and for the effort involved. The WCIB prizes, which are awarded to the top students at more than 20 universities with the winners then invited to enter the Lombard Prize, is a flagship initiative for the Company. I would like to also thank Omiros Sarikas and the members of the company that manage relationships with the various universities for once again making this a success. *See article on next page*.

The Company will continue its support for The Brokerage, which helps young people from disadvantaged backgrounds secure jobs in the City and the professional services sector. The charity has also formed a number of partnerships with specific companies where Brokerage students provide input as to how these organisations can appeal to those from diverse backgrounds.

Jago Toner has led our collaboration with the London Institute of Banking and Finance to support the rollout of its financial literacy programme for school students by launching a pilot programme for 50 students in The London Academy of Excellence.

I am also delighted that the committee is attracting new members to contribute to our work and would encourage you to get involved if you want to have an impact

The Greenhouse Sports Centre in Marylebone, which the Company has started supporting

WCIB has been funding The Brokerage's Gateway to City Careers programme since 2018 as a three-year project. The Brokerage has produced a report on the project as it reaches its final few months, available on the Company's website.

The Lombard Prize – the way ahead?

LIVERYMAN PETER GREEN, DEPUTY CHAIR OF THE CHARITY AND EDUCATION COMMITTEE, GAZES INTO HIS CRYSTAL BALL

The WCIB has active links to 23 UK business schools. The WCIB Prize, awarded for the best dissertation or extended piece of written work, is central to this relationship. The winners of the WCIB Prize are eligible to participate for the prestigious Lombard Prize, with the winner selected based on a summary of their dissertation and two oral submissions.
The origins and evolution of the prize have been captured in the article by Omiros Sarikas in the recent celebration of our company's origin, "Reflections of the first 20 years".
The WICB and Lombard Prizes have significantly evolved during these 20 years, and earlier this year the Master asked me, to paraphrase the theme of Omiros' article, "look forward to the next 20 years".

The scope of the review distilled to two key topics:

- the **purpose** of the Lombard Prize based on its inception in the early 1990s and its evolution through to 2020, and the value of the prize to the participants, their educational establishment and WCIB
- the **process** for awarding the WCIB Prize winners and evaluating their Lombard Prize submissions.

It was a pleasant surprise that, based on around 20 separate interviews with those central to the award over the years, a broad consensus on the key recommendations quickly emerged, recommendations that were approved at the September Court.

For **purpose**, the two primary objectives were identified as: recognising educational excellence; and publicity and awareness of WCIB, the financial services industry and City of London.

Secondary objectives are: recruitment to WCIB; and supporting the company's diversity and ESG objectives. WCIB has no control over the WCIB Prize dissertations, but topics for the Lombard Prize oral submissions reflect our diversity and ESG objectives.

Currently the WCIB Prize winners receive a certificate and a payment of £300. The prizes are awarded and, unless the winner wins the Lombard Prize, there is little further benefit. There was overwhelming agreement that we could and should do more to make the prize more valued by the WCIB prize winner and business school. Additional benefits should focus on career support, not financial reward, by offering a one-year "mentor support" programme, awarding honorary WCIB membership for one year and hosting an event for all prize winners to encourage an "alumni network".

We currently engage with 23 business schools. Is this number reasonable, and are we targeting the most appropriate schools? An interesting debate ensued – elite schools or open to all, UK or overseas, London or UK? The conclusion? Preference for London-based or locations that support the Lord Mayor's agenda for regional engagement, but no locations outside the UK.

Any in-depth explanation on the **process** is likely to immediately halt further reading – and I would ask that you do continue to the final paragraph. Summarising the process recommendations, the report proposed creating clear demarcation between the relatively administrative process for the WCIB Prize and the more complex Lombard Prize that involves setting questions and evaluating responses by a panel of judges.

The WCIB interaction with each of the 23 business schools is through a nominated Relationship Manager, and the role of the RM was a constant topic of discussion, with agreement that expectations of the RM should be clarified. Expect to hear more on this topic.

And the final paragraph that I advertised earlier? We are always looking for new blood to support all aspects of the Lombard Prize - mentors for the WCIB Prize winners, RM and deputies for the business schools, judges for the Lombard Prize, and potential sponsorship for the prize winner event. Please contact Peter Green for further information. peter.green@transactionbanking.com

Surviving our journey into the unknown

TIM SKEET, CHAIRMAN OF THE MEMBERSHIP COMMITTEE, ON HOW THE COMPANY'S MEMBERSHIP HAS THRIVED DESPITE THE DIFFICULT RECENT CLIMATE

The past couple of years have been a journey into the unknown for all of us, personally and professionally. The lockdown also had a dramatic effect on the service sector as we can see on our slow return to the office, noting the closure of once-crowded bars, restaurants and other service providers. Likewise, there will have been an impact on membership organisations, where the meetings and events have had to morph to a more impersonal, online format. Anecdotally it seems that some membership organisations fared badly during these troubled past months. However, this has not been the case for the WCIB. Our Company has emerged, if indeed emerge is the right word at this point, quite strongly, at least from a membership and financial perspective.

None of this was, or can be, taken for granted. Nevertheless, it is encouraging to note that our member numbers have held up, as the Master has noted in his introduction to this issue. We approach our year end ahead of "budget," even allowing for those members who, for whatever reasons, fall off the list due to non-payment or non-renewal. That means we are marginally ahead of the budget - at the time of writing some 615 full members.

A useful feature has been the number of direct "cold" calls the Company has had through the website, although personal introductions from the members remains a vital source of new-joiners. My thanks go to Robert Owen for his diligent work reviewing all the direct approaches and working with the Clerk to on-board new joiners. Nevertheless, I am still surprised how so many of my own industry contacts have little awareness of the WCIB, and it is clear that we can and should do more to further raise our profile across the financial services sector.

As we enter this crucial return to work and back to the dinner table phase, the Membership Committee will therefore continue to work closely with the Communications and Events Committees to ensure we have good messaging across the website and LinkedIn platforms to further attract these "cold callers." After months of being starved of much of our human contact, a reinvigorated Company can offer much needed fellowship and connectivity, something which appears to resonate with many people.

It is however important also to note how a programme of online events along with the second year of our buddying scheme has generally served us well, connecting people as best we can. Indeed, online events had the benefit of attracting members who might not get to London much and who would have become somewhat remote from the Company, keeping them engaged.

It will be interesting to see how a new hybrid format can be adopted to continue to facilitate stronger links with geographically remote members. Certainly early experiments with this format have been encouraging.

With rumours of further lockdowns or restrictions surfacing as I write, our thoughts go to sustaining the momentum of our membership and ensuring we maintain the energy and profile to continue to reach out across the industry to grow our numbers.

We will look to senior industry figures to continue to support us and promote diversity as far as this is practical for an organisation such as ours. In this it must be our ambition to lead best practice, both for the industry we represent, and the livery movement more widely, and not simply to follow.

Tim Skeet

Member Survey 2021

TIM JONES INTRODUCES THE HEADLINE RESULTS FROM THE LATEST MEMBERSHIP SURVEY

Almost all of the nearly 159 members – one-third of the Company - who took part in our 2021 survey took the trouble not only to answer the questions but to add their written commentary too. Fellowship, honesty and integrity were key amongst the values that members see in the Company. The goodwill and high esteem with which the Company is viewed by so many of its members is encouraging, gratifying and humbling:

"The WCIB's membership across the sector gives me an extremely valuable perspective on what the pulse is within the sector." "Opening doors to parts of the City that I didn't know existed." "Powerful network. Opportunity to meet and hear from very talented individuals in the finance industry. Opportunity to learn more and take part in the City traditions." "Increased and broadened both my professional scope and knowledge as well as my personal satisfaction in reaching and helping others." "Making some great friends and learning so many things that have helped me to improve both personally and professionally."

LOOKING AHEAD WITH THE MEMBERSHIP

THE COMPANY'S PURPOSES

Fellowship is valued most highly of the Company's purposes with its stance on trust, integrity and honesty next and then its work on charities.

ACCESSIBILITY

Less than 12.5% of our membership have a condition or disability affecting their ability to participate fully in the Company's affairs with just under 3.5% reporting mobility difficulties and just under 3.5% reporting a hearing impairment.

DIVERSITY, EQUALITY & INCLUSION

More than 67% perceive us as being above average in terms of welcome irrespective of diversity with less than 9% of members feeling that we are below average.

EVENTS

A very broad array of events appealed across the membership in general. 70% of members would like in-person events to resume asap whilst almost half would also like the option of watching a recording online. Less than 1% of members reported any difficultyin accessing our online events.

PROGRESSION TO LIVERY STATUS

Just under half the respondents felt that nothing prevented them from progression and that they would like to proceed. Just over 30% felt that they were impeded either by a lack of time or by a lack of understanding of the process. Just under 30% reported that they were happy as they were as a Freeman.

A growing Company

COMMUNICATIONS COMMITTEE CHAIR AND DEPUTY EDITOR OF THE MAGAZINE JOHN THIRLWELL WELCOMES TWO NEW FREEMEN

NEHA RAWTAL

I have always been fascinated by the City of London, with its long-standing history of being the centre of global trade and finance. The City's culture is unique in its ability to combine an enduring commitment to tradition with the fast pace of modern commerce and one that I'm grateful to be a part of.

In my professional life I specialise in the risk and control functions of banking institutions. I currently work for JP Morgan in valuations covering fixed income products. My role highlights to me the importance of maintaining diverse professional relationships that extend throughout the banking and regulatory fraternity, values I see reflected at the Company.

Additionally, I volunteer as the Chair of the South Asia Group at the Institute of Directors, where we bring together professionals and businesses interested in that region. I am also a Trustee at the charity Asha for Education, a volunteer-run organisation that focuses on providing education to underprivileged children in India.

On joining WCIB recently, I've been very warmly welcomed by its senior members and I'm delighted to have already met people from a variety of backgrounds. I have also been welcomed onto the Charities and Education Committee, which has given me a greater overview of the various activities the Company is involved in. I joined the WCIB to gain exposure to the traditions and culture of the City of London and the wider City Corporation and I look forward to contributing to its activities and participating in networking events. It's great to know that the Company has members from various countries and from diverse areas of the financial services industry.

CHRISTIAN VICERE

Before moving to London in 2019, I had always found the City of London's ancient history and governance to be fascinating. What really piqued that interest were some wonderfully entertaining videos by Youtuber CGP Grey; I highly recommend you check them out. The City is uniquely "a city in a city, in a country in a country."

When I moved to actually live within the Square Mile I wanted to be more involved in this ancient city and my new community, so I joined the WCIB because of the finance-focused charitable and educational work.

I have worked in recent years with finance students and young professionals to help them to grow their know-how and to break into the finance careers they want. And with that experience, I am hoping to turn to part-time university lecturing to grow the number of young people I may be able to help

I am originally from Canada, but moved to Riyadh, Saudi Arabia after university to work for Airbus in their defence arm. Following that I decided to do a master's degree which later helped land me a role at an activist hedge fund in Monaco. This investment style is what became my passion and what I am so lucky to do on a daily basis. After my time in Monaco, I moved to London and started advising a private bank and its clients on such investments. The group of companies we participate in would generally be described as eclectic, and range from biotechs to buyouts; from conglomerates to corners.

I have not long been involved with the WCIB, but hugely enjoyed my first Installation Court Dinner event at Drapers' Hall in September. I am very much looking forward to many more wonderful events with the Company, and continued volunteer work with young people in finance.

Moving forwards in the Livery

LIVERYMEN'S COMMITTEE CHAIR SIMON HILLS ON PROGRESS TOWARDS OUR LIVERYMEN OBJECTIVES

Pleasingly the recent membership survey indicated that more than 30 of the respondents were keen to progress to Liveryman, and they and others are encouraged to get in touch with the Clerk to register their interest so that the advancement process can be started.

But the same membership survey indicated that some members would like greater transparency over the route to liverymen status and that is something the Liverymen's Committee will be shining a light on in the year ahead. The four-year *Journeymen's scheme* supports and encourages younger members of the Company to become Liverymen. A new cohort of three Journeymen has recently been recruited:

- Hannah Berridge, Hoare & Co
- Szilard Farkasdi, International Data Corporation
- Kalm Paul-Christian, NatWest

All are already quite active in our Company and have been invited to sign the Journeymen contract and are starting to get involved as members of various of the Company's Committees. Our *Court observer scheme* enables one nominated Liveryman to attend Court meetings as an Observer in order to increase understanding of how our Company makes its strategic decisions and with a view to encouraging Liverymen to consider standing for election to Court. I am pleased that Kirsten Burt has been appointed Court Observer until September 2022.

At the beginning of the year our Company was invited to partner with the Haberdashers' Company in their annual "Monmouth Enterprise Initiative" which took place at the beginning of November (p36). It introduces high-performing lower sixth form students attending one of the Haberdashers' schools to life in the City. WCIB members were asked to ask their firms to host a group of up to 10 students for a careers experience day at the beginning of November. Unsurprisingly, given the current stage of the pandemic, places were not forthcoming. However, the Liverymen's Committee is working with the Haberdashers' Company to deliver an alternative style of event to ensure students are not disappointed.

Hannah Berridge

Kalm Paul-Christian

Szilard Farkasdi

New Liverymen with the Master: David Blanc, Ken Refshauge, Diana Spicer, Daniel Yates, Rafael Steinmetz Leffa, Weiyen Hung and Jonathon Read

SIMON HILLS ON THE ROUTE TO "CLOTHING"

After Common Hall at the end of September 2021 new Liverymen were "clothed" by our learned Clerk and welcomed by the Master to their new role within our Company, epitomising his theme for this year "Freeman, Liveryman, Master".

Within the City, Liverymen of at least one year's standing form the "Common Hall", which elects the Sheriffs and submits two candidates for the office of Lord Mayor. And any Liveryman can stand for the post of Sheriff of the City of London. Within the WCIB only Liverymen may chair standing committees, apply for election to the Court or advance to Warden or Master.

Our Company currently has 205 Liverymen, so we are someway off the 300-liveryman limit established in our ordinances. All Freemen of the Company of at least two years standing, who are also free of the City of London, may advance to Liveryman, providing that they have reached the age of thirty-five or worked in financial services for at least ten years.

If you would like to do so, do get in touch with the Clerk who will arrange a friendly chat about your engagement with our Company with the Livery Admissions Committee which thereafter will make a recommendation to the Court.

If successful, Liverymen (this term is applied to all genders) are expected to support the WCIB with their attendance, participation and charitable endeavour. In return they enjoy fellowship with their fellow members, an opportunity to support their trade, craft or profession and enjoy the culture and rich heritage of the City of London.

A summer and autumn of events

Mental health for all – a collective responsibility

TUESDAY 12 OCTOBER 1-2PM

A webcast dedicated to World Mental Health Day 2021 celebrated diversity with a range of global speakers.

Keesa Schreane

On 12 October 2021, we joined with the Chartered Banker Institute and the Chartered Institute of Securities & Investment to probe important issues relating to mental health and diversity, and particularly how the pandemic has affected our emotional well-being. This vibrant and challenging programme is now available on the Company's YouTube channel, and develops many of the themes raised in Past Master Karina Robinson's webcast on 10 May, during Mental Health Awareness Week (*see next page*).

Within the financial sector, what is being done to support individuals and keep this topic in the forefront of our everyday attitudes? At the core of ethical finance lies responsibility. We all have a part to play in supporting others and ourselves, a collective responsibility to better understand and share knowledge of mental health conditions and support techniques is encouraged by the Institute and wider financial community. The discussion, which aimed to develop members' knowledge of mental health and equip them with tools to implement in their organisations, is now available on the Company's YouTube channel.

The panel was as diverse as the theme. David May, FCBI, Vice President and Vice Chair of the Chartered Banker Institute, is a Partner, Executive Coach and Consultant with Aesara Partners. As the former Director of Leadership, Learning and Development at NatWest Group, David brings over 40 years of experience within Financial Services spanning executive leadership of strategic and operational teams across multiple markets and jurisdictions. He is a thinking partner to board level executives and supports leaders to become the best versions of themselves and to lead effective teams.

David Nikolich is founder and Managing Director of the award winning learning and development company ABSTRACT. He has had extensive experience of both leading and working with major businesses, ensuring that they have the right people, exuding the right behaviours and within the right environment, for the benefit of the organisation's goals and objectives. David has developed a highly-regarded reputation that has delivered superior and sustainable results for many organisations over more than two decades.

Professor Chris Speed FRSE is Chair of Design Informatics at the University of Edinburgh where his research focuses on the Network Society, Digital Art and Technology, and The Internet of Things. Chris's research interests are broad, at the moment focusing for instance on a funded project on the social opportunities of crypto-currencies, and much else that touches on the work of finance. Chris is a member of the University of Edinburgh Cyber Security and Privacy Research Network.

But the star of the show was its chair, Keesa Schreane (pictured), Global Partner Director at London Stock Exchange Group and author of *Corporations Compassion Culture: Leading Your Business toward Diversity, Equity, and Inclusion* (Wiley; 2021). The book – like the webcast – is a mine of information on creating a sustainable, inclusive, equitable, and compassionate business model that can thrive even in hard times like these. Diversity, equity, and inclusion programs are a must for today's corporations, says Keesa, yet many firms worldwide have failed to establish real equality in an actionable, measurable way. Her approach takes a new and more effective approach to driving equity and inclusion in the corporate world, focusing on how a culture of compassion can lead to more vibrant, higher-performing teams.

In the book she writes about how many standard corporate activities actually damage employees' well-being and engagement, and how to dismantle those practices. She also covers how to build a new and better corporate environment that responds to all employees' needs and meets shareholders' demands for stability and risk mitigation.

In the book as in the webcast, she delivers clear insight into what it takes for businesses to drive real social and corporate change toward inclusion and equity, while sharing her personal story about the challenges of being a woman of colour in today's corporate environment. Through hard work, talent, and - you guessed it - compassion, she has risen to become one of today's luminaries in the area of responsible leadership in global business.

The lasting impact of the pandemic on mental health in finance

18 MAY 2021

Poppy Jaman OBE

For the first evening of Mental Health Awareness Week 2021 on Monday 10 May our Immediate Past Master Karina Robinson hosted keynote speakers Poppy Jaman OBE, Chief Executive Officer of the City Mental Health Alliance as well as Mental Health lecturer Andrew Barker from the University of Hull.

The discussions were based around the pandemic's impact on working life which has seen over 80,000 young people being referred to NHS's mental health services in the past year, which is 28% up on 2019, according to data from the Office for National Statistics. The focus was not only on City workers but included others employed by City offices who may lack the same benefits, the graduate generation tackling Covid and beyond, as well as our family and friends.

It was a truly enjoyable, open conversation. Not only did Poppy and Andrew eloquently advise on tool-kits to tackle the evolving environment, Karina expertly posed inquisitive questions taking the talk down unexpected and educative roads. Those on the video were guided to kindness, to ourselves as well as our teams. To note that everyone matters, and how we can lift those in need and be there to listen, before times are too tough to ask for help. Poppy made reference to "five ways to well-being" and Andrew inspired us with the words "it is OK not to be OK" – both experts providing fantastic ways to view mental health and our Diversity and Inclusion Subcommittee plans to provide further reading for our WCIB members on these topics. Karina also emphasised that "Prevention is better than cure", so adequate steps should be taken to build up resilience, which is a skill that Poppy feels is like a muscle which requires training in the gym.

Thanks to Max Asmelash and Rob Samuels for organising this successful event. To watch a recording of the session please see the WCIB YouTube channel via the website.

Diversity and inclusion with Tim Hailes

16 JUNE 2021

Tim Hailes

As part of Pride Month in June, WCIB Court Assistant Alderman Tim Hailes spoke about his career in finance spanning over 25 years, and the changing attitudes towards the LGBT+ community he has seen. He talks about his year as Sheriff, when he lived in the Old Bailey and had the rainbow flag fly from its roof for the first time – a significant event given this is where Oscar Wilde was sentenced. He describes people's professions, the Livery, and the Corporation of London as three interlocking circles and whilst all have made great strides on Diversity and Inclusion there is more to do – "it's about widening the gate not lowering the bar."

The full article and video interview can be found on the WCIB website.

Election Court

14 JULY 2021

The Company's annual Election Court took place on 14th July 2021. This year Court was held as a hybrid event, with members present at Ironmongers' Hall and on-line via Zoom.

(R) the Master Robert Merrett and
(L) the Master-elect John Bennett MBE

These are the members of the Company who were elected on 14th July 2021:

Master-elect: John Bennett MBE
Senior Warden-elect: Jason Van Praagh
Middle Warden-elect: Angela Knight CBE
Junior Warden-elect: Nick Garnish
New Court Assistant: Liz Field
New Court Assistant: Catherine Raines

At the Election Court the Master recorded thanks to Liverymen who were stepping down after finishing their terms of office: Past Master Mark Garvin, Past Master Jane Platt CBE and former Chairman of the Liverymen's Committee John Elder.

WCIB donates to the Sheriffs' and Recorder's Fund

15 SEPTEMBER 2021

On 15 September WCIB Honorary Freeman Alderman & Sheriff Professor Michael Mainelli rode through the City of London to raise money for the Sheriffs' & Recorder's Fund. The Master handed Michael £1,000 from the WCIB. The Fund gives small grants to ex-prisoners and their families in London, to help them stop offending and to start a new life. The WCIB has donated to the Fund over a number of years, particularly when one of our members has been serving as a Sheriff. Photograph bottom right, with Alderman Mainelli on right.

Master presents cheque for the Lord Mayor's Appeal

21 SEPTEMBER 2021

The Master presented a cheque for £2,000 to the Lord Mayor on City Giving Day. Every year the WCIB makes a donation to the Lord Mayor's Appeal which supports a number of charities.

(L) Master, Robert Merrett, (C) Lord Mayor of London, Alderman William Russell and (R) the Clerk, Nicholas Westgarth

The Monmouth Enterprise Initiative Finance Day

8 NOVEMBER 2021

WCIB Past Master Bob Wigley, Court Assistant Simon Hills and Liverymen Mark Henthorne and Daniel Yates helped make this year's Monmouth Enterprise Initiative Finance Day a great success at Haberdashers' Hall.

Students attended the event from Haberdasher secondary schools across the country, and the feedback was exceptionally positive. It is hard to overstate the positive impact of the event for young people, many of whom have had their education seriously disrupted in recent years and have had very limited opportunities to find out about their chosen career.

The overall score for the event was 4.51/5 which means that all students agreed/strongly agreed that they enjoyed the event and found it useful. The impact of the event was also clear - with the average increase of 57% in knowledge of the City of London and finance (score 2.6 to 4).

In the words of our students:
"The information was very informative and helped me in my decision about having a job in finance." "The best thing was learning from people with experience in the field I hope to go into." "It was very educational and eye-opening into the world of finance."

We also asked students what we could do to make the event even better. Some of the responses were thoroughly flattering:"It couldn't have been better." "The whole event was amazing."

There were also some useful lessons for future events. Students particularly valued personal interaction with speakers who had a finance career and would have liked more opportunities for conversations. They also requested: "Clear explanation of key terminology. Speakers used abbreviations etc without clarification." "More variety of speakers and different race/sexuality/ethnicity."

Many thanks to WCIB Past Master Bob Wigley, Court Assistant Simon Hills, and Liverymen Mark Henthorne and Daniel Yates for helping make the event a success.

...and much more...

The website lists all our activities in summer and autumn 2021, from an Inter Livery shoot through a get-together in the Jamaica Wine House, the historic birthplace of London's coffee scene off Cornhill, to a review of the city's "war for talent" at an up-to-the-minute WeWork office. Topics covered by the panel included the future of the office, corporate ecosystems, attracting talent and the challenges of hybrid working..

From the Clerk

In common with many members it felt wonderful to be at the Installation Court Dinner on 30th September and to be able to mix freely with our members and guests. Let's hope we can continue to do so. Nevertheless, the recent membership survey has shown that online or hybrid meetings are appreciated, particularly by overseas members and those who can't easily get to functions in the City. The Events Committee will try to include a number of hybrid meetings in their forward programme to meet this need. The Court held two hybrid Court meetings in May and July this year with members present and on Zoom and they were pretty successful so I have added 'Zoom Camera Operator' to my list of transferable skills.

Membership renewals for all members are now under way and thank you very much to all members who have already paid their subscriptions for 2021/22. There is a lot of administrative work involved in chasing members who pay late so if you haven't paid yet please do so promptly. If you need a Direct Debit form please contact me clerk@internationalbankers.co.uk or you can pay by bank transfer or using a card through the Members Area of the WCIB website www.internationalbankers.org.uk

Please also continue to make regular donations to the International Bankers Charitable Trust. Donations to the trust are the lifeblood of our charitable work, we aim to make grants of some £100,000 every year so every pound donated from members or other supporters really helps, especially if we can claim Gift Aid on your donations. If you need further information about donating please contact me.

I hope to see many of you at our forthcoming events either before Christmas or in the New Year. Stay Safe.

Nicholas Westgarth

Get the glad rags out

BOWTIE £20

CUFFLINKS £50

TIE £20

PEWTER BADGE £20 – CAN BE USED AS A BADGE OR PENDANT
(chain not included)

Order and pay via the Shop in the Members Area of the WCIB website www.internationalbankers.org.uk

Prices for all items incl VAT but do not include P&P.

The Last Word

SIR ROGER GIFFORD, BANKER. BORN: 3 AUGUST 1955 IN ST ANDREWS. DIED: 25 MAY 2021 IN LONDON, AGED 65

Rhian-Mari Thomas, Chief Executive of the Green Finance Institute, in whose creation Sir Roger Gifford was instrumental, recalls the summer of 2019 when they were about to launch the new body and its ambitious strategy in the Guildhall. As inaugural speeches go, it felt "a bit daunting" and as the day approached, she recalls meeting with Sir Roger, her chairman, to exchange ideas on an early draft. "I arrived at his offices overlooking St Pauls Cathedral carrying my laptop and the weight of the world on my shoulders. He arrived with a bottle of champagne and a beaming smile: 'Rhian-Mari, we're going to do some great and important work and it's going to be terrific fun!'"

She recalled this moment with "the saddest irony", in a heart-felt eulogy to the man, almost exactly two years to the day after she delivered her barn-storming opening speech, at the same lectern, this time without Sir Roger by her side. But she, like so many others, is determined to continue the "great and important work" of their institute and to accelerate the mainstreaming of green and sustainable finance.

Sir Roger, brought up in St Andrews, joined SG Warburg from Oxford. His natural joie de vivre was infectious; everyone loved him. In 1982, he joined the Nordic bank SEB, which is an important institution but as one of his closest friends remarked, "slightly off-piste in the heady world of the City of London." He moved to Tokyo in 1994 to run its Japanese operation, then back to London as Senior Banker to lead its British operations.

His natural charm and good nature won many friends and supporters. He was elected the 685th Lord Mayor of London in 2012, when the reputation of banking was recovering from the global financial crisis. He was a passionate advocate for the City but a firm believer in its social responsibility, declaring: "the City must serve society."

He enjoyed the ceremonial aspect of the role and felt honoured when, at Margaret Thatcher's funeral in 2013, he led the Queen and Duke of Edinburgh into St Paul's Cathedral carrying the City's Mourning Sword on its first outing since Winston Churchill's funeral there in 1965.

Sir Roger also had a passion for the arts, and led by example. A keen singer - a light baritone - from his early years, he was a patron and trustee of numerous music charities including the Tenebrae choir, the English Chamber Orchestra and Music Society and the City Music Foundation, which he co-founded with his wife Clare to support fledgling professional musicians. He was Master Musician, as well as Master Banker, and brought a strong spirit of philanthropy to these roles and to many others.

He was a keen outdoorsman, fond of striding the mountains of his native Scotland, in shorts, in all weathers, as he had done at his rugged school, Sedbergh. He was involved in many new tree planting initiatives, particularly in Epping Forest and in Scotland, and was proud of his woodland in Glen Farg, in Perthshire.

In banking, in business, in philanthropy, in music, in the life of the City of London – and most importantly, with his family – he was a man who lived a great life of purpose.

The last words, then to Rhian-Mari Thomas: "Sir Roger was one of the earliest champions of purpose-led finance, quick to recognise the role that the financial sector must play in averting the worst impacts of our changing climate on business, society and the natural environment.

Long before green and sustainable finance became the buzz words they are today, Sir Roger was spearheading efforts to introduce and translate climate science into the rigorous risk reward discipline that underpins good financial decision making." *GL*

CONTRIBUTORS

Paola Bergamaschi Broyd
Moorad Choudhry
Nick Garnish (*Junior Warden*)
Peter Green
Simon Hills
Weiyen Hung
Tim Jones
Angela Knight CBE (*Middle Warden*)
George Littlejohn (*Editor*)
Steven Lizars
Robert Merrett (*Master*)
Ali Miraj
Professor Russell Napier
Professor John Ryan
John Thirlwell (*Deputy Editor*)
Simon Thompson
Kathleen Tyson

THE WORSHIPFUL COMPANY
OF INTERNATIONAL BANKERS
12 AUSTIN FRIARS, LONDON EC2N 2HE

CLERK: NICHOLAS WESTGARTH
DIRECT LINE: 020 7374 0212
FAX: 020 7374 0207
EMAIL: clerk@internationalbankers.co.uk

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC® C010693

WORLD LAND TRUST™
www.carbonbalancedpaper.com
CBP004599

A glittering calendar of events

DATE	EVENT
8 DECEMBER 2021	CAROL SERVICE AT ST MARY-LE-BOW
8 DECEMBER 2021	CHRISTMAS NETWORKING DRINKS
18 JANUARY 2022	MASTER'S COMMITTEE
24 JANUARY 2022	WCIB COURT AT GOLDSMITHS' HALL
23 FEBRUARY 2022	WCIB ANNUAL BANQUET AT THE MANSION HOUSE
21 MARCH 2022	WCIB COURT
1 APRIL 2022	UNITED GUILDS SERVICE AT ST. PAUL'S CATHEDRAL (LIVERYMEN)
7 APRIL 2022	LORD MAYOR'S BIG CURRY LUNCH AT THE GUILDHALL
15 JUNE 2022	IBCT FUND RAISING DINNER AT MERCHANT TAYLORS' HALL

The splendid Egyptian Hall at the Mansion House hosts the Company's last dinner before Covid, in 2020

Master Robert Merrett, and Freeman Antonello Russo walked with fellow members of the Livery as the Lord Mayor's Show made a welcome return to near-normal life in the City. Freeman Russo said of the day: "I found being involved in the procession an exceptional and memorable experience. The Show is a visible demonstration of how the City's modernity is complemented by ancient, respected traditions and healthy principles."

Please check website for latest information.