



Funders Commitment Report 2024

**Climate
Action
Aotearoa**

The Funders Commitment
on Climate Action.

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Welcome

Philanthropy can play a crucial role in the shift towards a fair and sustainable transition to a low-carbon society. The Funders Commitment on Climate Action aims to boost philanthropic endeavours towards addressing the climate crisis in Aotearoa New Zealand. Currently, sixteen funders have pledged their support to this initiative, with an open invitation for any philanthropic entity to join.

This report outlines the progress made by signatories in their climate-focused strategies and initiatives between May 2023 and May 2024.

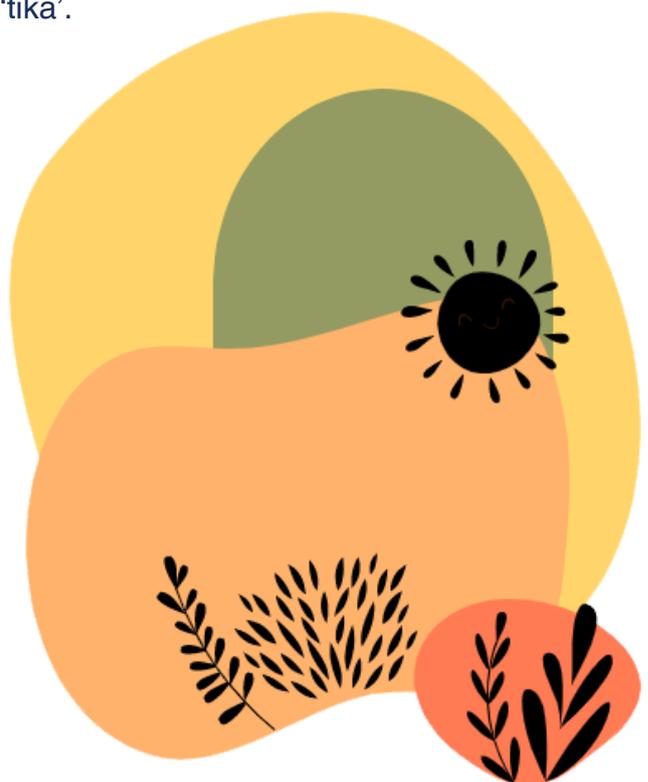
01 Te Wero: The Challenge

The climate crisis is not simply a problem of excess carbon in the atmosphere. It's also the unsustainable extraction and distribution of material resources. Resolving the climate crisis will require remaking our systems to sustain life - including our political, economic and philanthropic systems.

Like most forms of economic wealth throughout the world, much philanthropic wealth can be traced back to industries that relied on economic practices of extraction and exploitation of people and the planet.

Philanthropy is beginning to acknowledge these harms and there is an emerging practice to redistribute wealth and power to the communities and environments who have been most harmed by extraction and exploitation. This is what comprises the elements of the Tika Transition.

Philanthropy can play a proactive role in building a world that works for all of us when we recognise what is right, just or 'tika'.



Te Hua:

The Opportunity

The Tika (just) Transition is a vision-led, unifying and uniquely Aotearoa set of principles and practices that aim to shift philanthropy from extractive to regenerative practices.

- **Extractive practices** include the (intentional or unintentional) removal of wealth from local or distant communities through the depletion and degradation of nature (e.g. banks and multinational corporates).
- **Regenerative practices** are based on reflective, responsive, reciprocal relationships of interdependence between human communities and the living world upon which we depend. Think Impact Investment as an example.

For philanthropy to embody a Tika Transition, these shifts will be evident:

A shift in philanthropy's underlying assumptions about capital...

- **Away from** an accumulation of capital through investment in extractive industries
- **Towards** a re-allocation of capital to directly support distant or local communities by investing in impact for good.

A shift in philanthropy's underlying assumption about granting...

- **Away from** an unbalanced power dynamic of givers and receivers
- **Towards** more power sharing and participatory granting through involving communities in decisions made on their behalf.

For example, the philanthropic funders of today don't just want to fund food banks; they want to end food poverty and help achieve food sovereignty. A tika transition calls for everyone to play their individual part in achieving climate justice. As philanthropic funders whose assets are held for the public good, how we partner with communities to support a Tika Transition to a low carbon society is a critical responsibility. This is founded on recognising and upholding Tangata Whenua and Te Tiriti o Waitangi:

“

A tika transition to a low-emissions economy is one that embraces tikanga Māori as a source of solutions, upholds the principles of Te Tiriti o Waitangi and is consistent with the United Nations Declaration on the Rights of Indigenous Peoples.

- Associate Professor Maria Bargh, 2019, 'A tika transition', in D. Hall (Editor.), A Careful Revolution: towards a low-emissions future.

”

02 Pānui Whakamōhio: About Us

Climate Action Aotearoa (CAA) provides an opportunity for philanthropy to reimagine practices that advance a thriving and tika (just) world.

We are guided by the [Tika Transition](#) principles to support a shift from an extractive to a restorative mindset through reviewing our organisations' structures, policies, values and practices.

We have two Climate Co-leads who work alongside and are guided by the Climate Action Working Group (CAWG). The CAWG includes representatives of the 12 Community Trusts, with support from the Centre for Social Impact. The CAWG meets regularly to shape and progress the work of Climate Action Aotearoa and the Funder's Commitment.

The Combined Community Trusts work collaboratively as a "whānau" of trusts and together are the custodians of over \$3.5 billion of investments.

They collectively grant over \$100 million per annum to hundreds of organisations throughout New Zealand. The 12 Trusts are:

- [BayTrust](#)
- [Community Trust of Mid and South Canterbury](#)
- [Community Trust South](#)
- [Eastern and Central Community Trust](#)
- [Foundation North](#)
- [Otago Community Trust](#)
- [Rātā Foundation](#)
- [Toi Foundation](#)
- [Waikato Trust](#)
- [Wellington Community Fund](#)
- [West Coast Community Trust](#)
- [Whanganui Community Foundation](#)

Other signatories to the Funder's Commitment are:

- [The Values Trust](#)
- [Biome Trust Aotearoa](#)
- [The Gift Trust](#)
- [Seed the Change](#)

We see the Funder's Commitment as an opportunity to increase accountability, to support action for a tika transition, greater equity, community resilience, and ultimately improve outcomes for the communities we serve.

- Linn Araboglos

Chief Executive of Wellington Community Fund and Chair of the Climate Action Working Group of Climate Action Aotearoa



Rātā Foundation supports Picton Dawn Chorus and Kaipūpū Sanctuary - they share a vision to preserve the natural environment and protect native species for future generations. The organisations merged in 2023, as they wanted to maximise their resources and environmental impact in the area.

Ngā Kaituhi: Authors of the Report



Esther Whitehead



Arohanui West

Climate Action Aotearoa Co-Leads and authors of the report.

Te Mahi: Scope of the Work

Thirteen signatories participated in online interviews with the Climate Co-Leads and the 'pulse' survey in April 2024. Interviews were held with the Chief Executive, staff and/or trustees. The qualitative interview followed the survey (quantitative measures) showing progression from 2022/23. It included questions relating to five organisational levers of change: Strategic, Governance, Operational, Grant-making and Investments.

Twelve of the signatories are Community Trusts. Four signatories are based in Te Waipounamu (South Island), whilst eight are in Te Ika-a-Māui (North Island).

This report shares progress from the foundational year (2022) and trends in challenges and opportunities in 2023-2024.

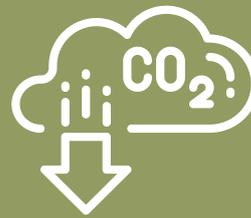
Participants were also asked how Climate Action Aotearoa (CAA) can support peer learning and gather data to inform future work and evaluate its own impact.

03 Highlights 2024

‘Overall awareness of climate change’ marked as ‘high’ increased from 0% in 2022 to 50% in 2024



‘Willingness to decarbonise investments and operations’ marked as ‘high’ increased to 66% in 2024



‘Knowledge of tika transition at board level’ - 25% marked as ‘good’

Pilot of Self-Assessment

Tool on Climate Action 83% positive stakeholder engagement



Collective Advocacy on kaupapa including the Emissions Reduction Plan and the Biodiversity Credit System



Kaupapa of National Significance (KoNS) climate action fund established in 2024

Climate Action Aotearoa webinars and live workshops reach 2,000+ participants



185% increase in reach and followers across social channels



‘Enable Tangata Whenua Leadership on climate action’ up 54% from 2022 to 2024.

04 The Tika Transition and The Funder's Commitment

Committed signatories require an understanding of a 'tika transition' as an opportunity to transition our organisations.

Hirini Moko Mead discusses a process termed "*take-utu-ea*" where *take* (the issue) is identified as a breach of tikanga, or what is right. *Utu* (recompense) becomes a motion toward balance, and *ea* (resolution) is found when restoration has occurred. This is also widely known as climate justice.

Note that in the "*take-utu-ea*" approach, all three elements would be collaboratively discussed, developed and agreed by stakeholders. The approach has been adapted for the purposes of the Climate Action Aotearoa Funder's Commitment.

The Funder's Commitment and its focus on a Tika Transition is a public statement of intent; it is not a certification scheme or quality standard. Here are the seven commitments outlined in the Funders Commitment:

We, the undersigned, commit to:

01 Reflecting Te Tiriti o Waitangi and supporting Māori aspirations regarding climate action.

We commit to the spirit of partnership with Iwi, Hapū / Māori to address the causes and impacts of climate change. We will seek to enable Māori aspirations and recognise mātauranga Māori in climate action, respecting whakapapa, tino rangatiratanga, rite tahi (equity) and kaitiakitanga.

02 An equitable transition

We will take action on how we invest and fund, to enable greater equity in the transition to a low carbon society. We will support initiatives that foster equitable transition, and we will support vulnerable communities burdened by the impacts arising from the transition.

03 Enable leadership

We will support and grow the leadership in our communities, especially in tangata whenua, rangatahi and marginalised communities to accelerate an equitable transition. We will actively support community-led action and systems change to enable an equitable transition.

04 Commit and share resources

We will take opportunities to contribute to and support mitigation and adaptation to climate change impacts. We will commit resources to accelerate work addressing the causes and impacts of climate change and identify opportunities to co-fund initiatives.

05 Learn and grow

We will create opportunities for our trustees, staff and communities to learn more about climate change causes, impacts and solutions, including through mātauranga Māori. We will share opportunities to develop the knowledge and skills needed to act.

06 Decarbonise our investments and operation

We will take action to minimise the carbon footprint of our own operations. We will proactively address the risks and opportunities of the transition to a low carbon society in our investment strategies.

07 Report on progress

We will report annually on our progress against the commitments listed above.

05 Key Findings 2023 - 2024



General awareness and understanding of climate change issues

Up from 0% in 2022 to 50% in 2024 marked as 'high'

2024 = 50% 'high' | 2023 = 21% 'high' | 2022 = 0% 'high'



Commitment to collaborate on climate change

Up from 45% in 2022 to 67% in 2024 marked as 'high'

2024 = 67% 'high' | 2023 = 64% 'high' | 2022 = 45% 'high'



Commitment to enable tangata whenua leadership and aspirations on climate action*

Up from 54% in 2022 to 83% in 2024 marked as 'good' and 'high' combined

2024 = 83% 'combined' | 2023 = 93% 'combined' | 2022 = 55% 'combined'

*Note change of wording from 'willingness' to 'commitment'



Commitment to decarbonise investment portfolio

Up from 9% in 2022 to 67% in 2024 marked as 'high'

2024 = 67% 'high' | 2023 = 57% 'high' | 2022 = 9% 'high'



Overall progress towards supporting a Just / Equitable Transition (Tika Transition)

There is a weighted increase across all participants against questions related to supporting equity.

The wording in the annual 'pulse' survey has evolved from capturing sentiment to capturing commitment. For example, in 2022 and 2023 the survey asked about 'willingness to enable...'; in 2024 it asked about 'commitment to enable...'. We believe that some signatories are now reviewing themselves with greater rigour because of this. In 'Our Impact' section, we speak to how we're shifting to a stronger evidence-based approach to collecting aggregated data.

01 Reflecting Te Tiriti o Waitangi and supporting Māori aspirations regarding climate action.

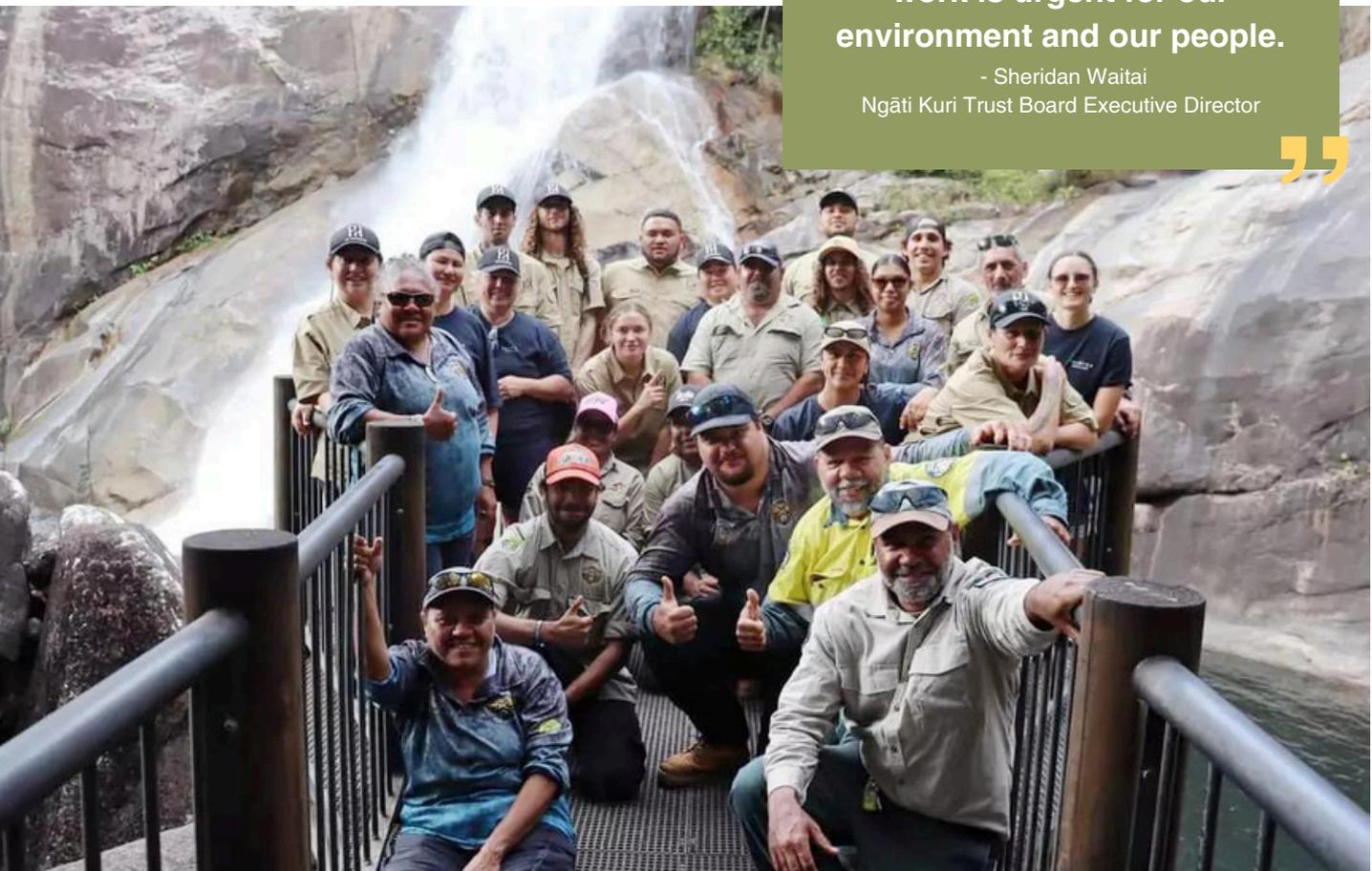
33% of survey respondents have a Māori engagement plan or policy in place. Whilst some signatories noted that they didn't see the need for it, because engagement is 'baked into BAU' and strategic pou, others identified barriers to creating and implementing a Māori engagement plan were cultural competency, education and capability. See Appendix 1 for how signatories can recognise mātauranga Māori in climate action.

Community Trust South (and several others) have a mana whenua endorsed trustee. This ensures local, cultural competency across the board of trustees and helps develop crucial relationships with hapū and iwi.

In January 2024, Foundation North granted Ngāti Kuri 6.6 million to scale up and sustain restorative work in their rohe. Sheridan Waitai, Ngāti Kuri Trust Board Executive Director says the key to the work ahead is uplifting **mātauranga Māori** and transforming their Taiao. See Appendix 1 for what mātauranga Māori can look like in Climate Action.

“ Static conservation practices have left Ngāti Kuri with around 42 of our precious Taonga species on the brink of extinction locally. It is time for a reset to be done at pace. This work is urgent for our environment and our people.

- Sheridan Waitai
Ngāti Kuri Trust Board Executive Director



The Ngāti Kuri Taiao Team on a recent knowledge exchange in Australia with the Traditional Owners of Girringun National Park.

Good Practice Example:

Trust Waikato has a grantmaking framework called ‘Mana Whakahere’ based on the principles of Te Tiriti o Waitangi with a focus on a Tika Transition and uplifting tino rangatiratanga (self-determination).

Mana Whakahaere acknowledges the rights of communities to take ownership and determine their own wellbeing and destiny. By empowering people in a community to address their own issues, we are acknowledging that they hold the knowledge and experience to determine their own solutions.

Trust Waikato believes in meeting with iwi, hapū, whānau, community and rūnanga groups face to face to discuss their aspirations and what support they need to realise those aspirations, rather than using a blanket ‘one size fits all’ approach. This framework allows people to decide the way they’d like to engage and collaborate.



We engage often with our community to understand their aspirations and desires. Building those relationships and engagement takes time and trust and needs to be done kānohi ki te kānohi. We try to remove any barriers for applying and accessing funding, it’s not about us it’s about them.

- Dennis Turton
Trust Waikato Chief Executive



A vision over 20 years in the making, K’aute Pasifika Trust recently built New Zealand’s first pan-Pacific hub with support from Trust Waikato.

02 An equitable transition

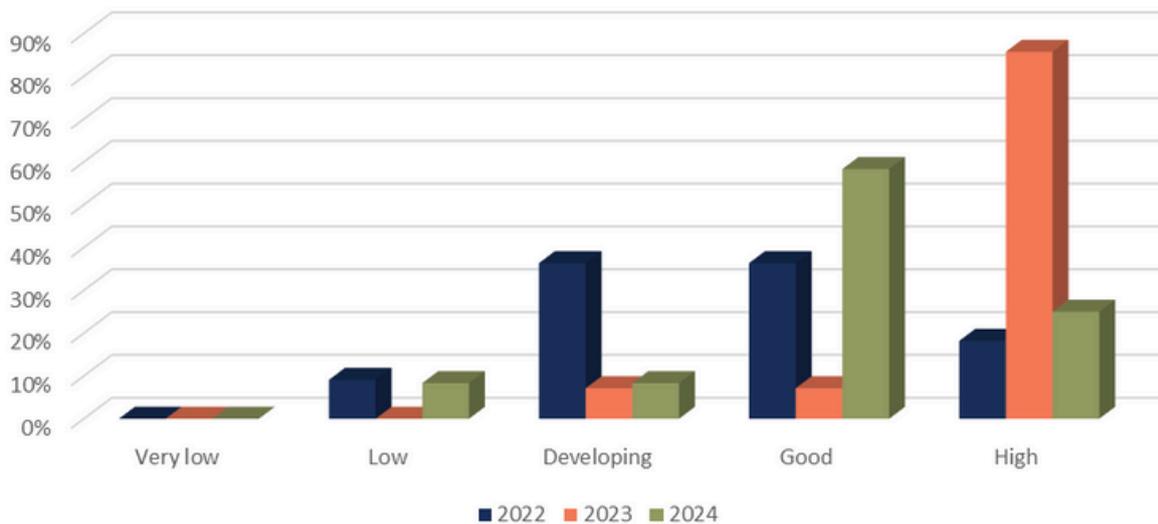


We see many examples where iwi/Māori demonstrate climate positive leadership in their community initiatives and they already identify key considerations that Funders should tag as Climate Action. As a signatory we are well aware of this and are shaping our funding to be more participatory.

- Signatory to the Funder's Commitment

The graph shows that the commitment to enable Tangata Whenua leadership has decreased from the majority sitting at 'high' in 2023 (pink), to a majority sitting at 'good' in 2024 (green). The wording shift from 'willingness' to 'commitment' could explain this shift in self-assessment.

Commitment to Enable Tangata Whenua Leadership



Evidence suggests that Māori, rural communities and people from low-socio-economic backgrounds are and will continue to be disproportionately impacted by climate change. These groups are also more likely to live in low-lying, coastal areas and work in climate-sensitive primary industries making them more susceptible to job and housing insecurity and economic loss.

Commitment to enabling Tangata Whenua leadership to restore and rejuvenate mauri life force brings social, economic and environmental systems into balance.

Equitable (Tika) Transitions:

- address injustices often referred to as climate justice
- are inclusive and distributive; based on shared principles, values and visions
- Provide outcomes that support oranga wellbeing for all
- Can use the “take-utu-ea” approach

Given that the Māori population is expected to expand from about 776,000 to approximately 1.16 million, over the next 20 years, Māori could account for 20% of the total national projected population and one third of all children.¹

¹ (Te Puni Kōkiri, 2017), (Stats NZ, 2019)

It is important that the climate change narrative in philanthropy is not constrained by focusing on a Māori deficit narrative. Māori communities have demonstrated significant resilience and cohesion in recent crises (such as the Canterbury earthquakes, COVID-19, Cyclone Gabrielle) and are often better positioned than government and other colonial institutions. They are examples of leadership and organisation that could help inform better funding climate impact responses.



Many hapu are already doing the mahi to leave a legacy of clean air and earth for their mokopuna. To make sure this transition is tika, we invite tangata whenua to share their whakaaro about a transition that is tika, we aim to be more participatory and act in partnership.

- Signatory to The Funder's Commitment



It is noted that the Toi Foundation is in a unique and privileged position.....



Ownership of TSB Bank, as well as holding a controlling share of Fisher Funds, which is one of the largest Funds Management companies in NZ, is powerful. The shift towards *innovative granting* and *impact investment* may be unfamiliar and uncomfortable at times, but it is a meaningful can achieve transformative outcomes.

- Trustee
Toi Foundation



Their 2023 annual report shares that of funds distributed:

- **72%** went to High level of need (\$16.6M)
- **27%** went to Medium level of need (\$6.1M)
- **1%** went to Low level of need (\$0.4M)

Continuing with targeted funding and using Level of Need indicators across all funds, we ensure the Foundation's support has significant and long-term impact for our communities.

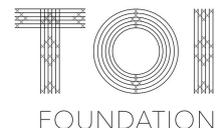


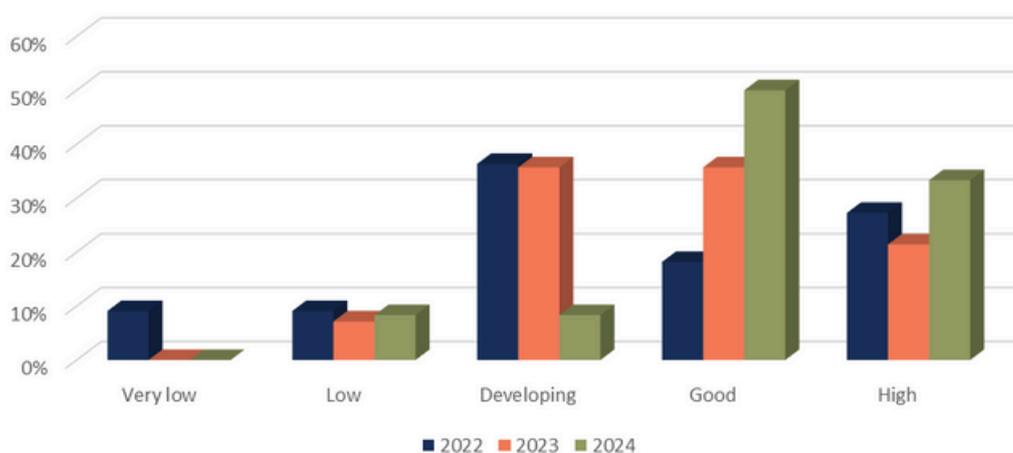
Image courtesy of Toi Foundation.

03 Enable Leadership

The majority of signatories are strengthening relationships with stakeholders and community groups. Although there's an identified need to further engage rangatahi in climate action.

The Funder's Commitment states: We will support and grow the leadership in our communities, to accelerate an equitable transition. We will actively support community-led action and **systems change** to enable an equitable transition.

Commitment to Enable Community Leadership



Example of systems change:

Foundation North has been trialling a new model of grantmaking – participatory grantmaking – which puts people who are affected by decisions in a position to influence and support decision-making. It **enables power sharing**, simplified compliance processes and better funder-grantee partnership.

Currently there are **10 Pacific youth who have designed** the Pacific Future Makers Fund, to benefit Pacific communities in South Auckland, and have led its promotion in their communities. The Pacific Leaders have been assessing applications, making funding recommendations to the Foundation, and designing accountability requirements for successful applicants.



Let's invest together, and see a ripple effect in terms of impact.

- Annastasia Matai
Pacific Leader

A recurring theme expressed was the need for trust. Building trust and rapport with iwi, hapū, stakeholders and community groups is the foundation of flourishing reciprocal relationships without burdening these groups with consultation.

Many organisations and initiatives are still at an early stage of understanding how they can support climate action and don't always have the team, financial resources and strategy in place to begin or move this forward.

Although one of the smaller trusts, Community Trust of Mid and South Canterbury enable community leadership and recognise food security and food sovereignty as a vital part of climate action.

Community Trust of Mid and South Canterbury support Food Rescue Aoraki, their local foodbank.



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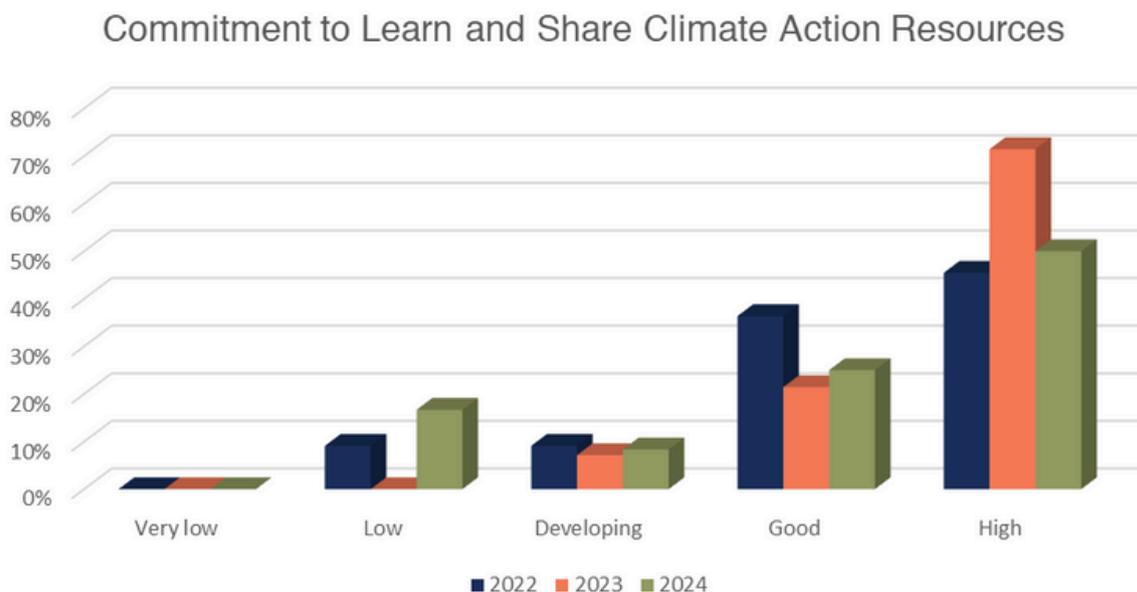
When people access food banks not only are their food needs met, but there is also the opportunity to get advice and support, and connect with other services such as budgeting advice, advocacy, and family services, and learn about education and employment support. The funding provided by the Community Trust will ensure that food bank organisations not only identify need but are able to also put in systems to resolve it.

- Helen McKeown
Food Rescue Aoraki Manager

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04 Commit and share resources

The graph below shows that in 2024 (green), 75% of signatories marked their commitment to learn and share resources as good or high. Again, the decrease compared to 2023 could be due to the change in wording from ‘willingness’ in 2023 to ‘commitment’ in 2024.



David Clapperton from the Eastern & Central Community Trust has seen the impact **co-funding** can create. When Cyclone Gabrielle devastated Hawkes Bay, he knew getting funders together would be key. David recounted the rebuild of Pōrangahau, where 11 houses, the marae and community centre were flooded. Within seven days, the collaborating funding organisations had raised \$940,000.



Early on we saw the opportunity to work together, so we agreed to lead the Hawke's Bay funders forum. We brought all the known philanthropic organisations together, as well as government departments, and we pushed hard for us to work together to share information, to share where we were distributing money, and to share opportunities to co-fund projects.

- David Clapperton
Eastern & Central Community Trust Chief Executive



In 2023 Trust Waikato, Rātā Foundation, Clare Foundation and Foundation North collaborated to connect with like-minded organisations in North America who are actively working towards Indigenous equity, impact, sustainability, and related challenges in the philanthropic sector.

North America was selected for its similarities to Aotearoa, with its recognition and resilience of Indigenous Peoples. They hold their language, culture, traditions, and beliefs strong, and much like Māori in Aotearoa have experienced challenges in preserving their identity and rights through colonisation.

A question the tour group posed was ‘How do we utilise the connections made with Trust Waikato, Rātā Foundation, Foundation North, and Clare Foundation to collaborate on projects where we have shared priorities?’



The North American Tour Group made up of Trust Waikato, Rātā Foundation, Foundation North, and Clare Foundation staff and Trustees with Stanford University Center on Philanthropy and Civil Society.

In March 2024, the **Kaupapa of National Significance Fund** was established by the Combined Community Trusts of Aotearoa. This is a climate action focused fund; with a total granting value of \$500k over a three year period. **The Climate Action Working Group has led this collaboration** with the first financial contributors being Trust Waikato, Foundation North, Rātā Foundation and Toi Foundation.

The Fund aims to support and empower community led climate action through funding initiatives that:

- Contribute to long term reduction of greenhouse gas (GHG) emissions through community based/community led action.
- Support ecological resilience
- Support the building of community climate resilience in the face of increasing extreme weather events.
- Contribute to a tika (equitable) transition, reflecting commitment to Te Tiriti o Waitangi and supporting Māori aspirations regarding climate action.

“The benefits of this [tour] will really depend on how brave and courageous we are prepared to be.”

- Janise Hine-Kapetiu Eketone
Trust Waikato Co-Deputy Chair

This shows the power of collaboration and is testament to our commitment whakataukī:

“**Ki te kotahi te kākaho, ka whati; ki te kāpuia, e kore e whati. When reeds stand alone they are vulnerable; but together they are unbreakable.**”

- Kingi Pōtatau Te Wherowhero Tāwhiao

05 Learn and grow

In the interviews with signatories, many noted that they could improve their use of professional development budgets for Trustees and staff and collaborate more effectively and intentionally with other funders. There is also an appetite to reach out to international Funder's Commitments and their signatories whilst maintaining integrity to a uniquely Aotearoa approach.



Bay Trust's Board

Some of the Trustees have completed IoD's training and we have had sessions on sustainability and degrowth recently. Three of the trustees are planning to go to the USA for professional development and they have to personally offset the associated travel emissions which is now in policy. We have tried to embed and integrate Climate Change into all our policies and our SIPO to ensure durability of the approach in an environment where new Trustees are appointed cyclically.

- Lisa Hickling
Bay Trust Research and Evaluation Manager

Community Trust South (CTS) has recently piloted a Decarbonisation Workshop for community groups and grant-seekers which not only builds stakeholder capability but supports mitigation and adaptation to climate change impacts. One participant to the workshop noted,

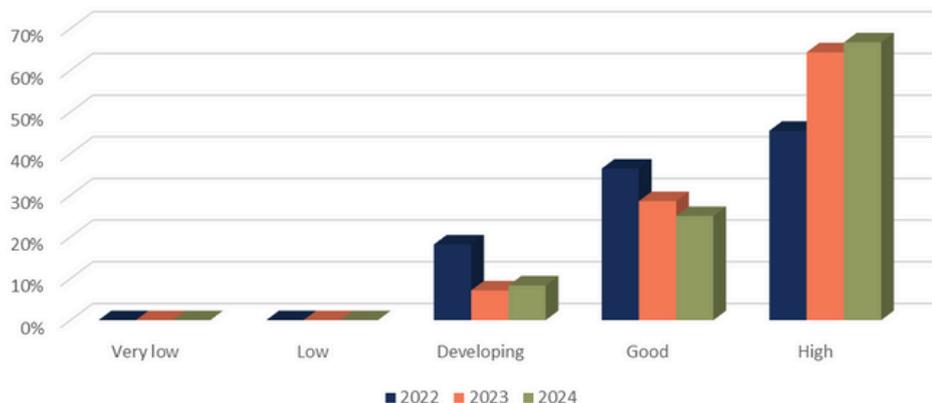


This is a great opportunity for grantseekers to build their own knowledge in addressing climate issues, it also helps us to understand the direction CTS is heading. We have already made significant decisions to change our transport fleet because the workshop enabled us to see where we emit the most carbon.



They provide bi-monthly and ongoing Te Reo Māori and Tikanga lessons for their staff and have a budget available for individual personal development opportunities. In a recent revamp of their strategy, Community Trust South added 'Climate Action' as a key priority area. This is a great example of providing opportunities to learn and grow both internally and externally.

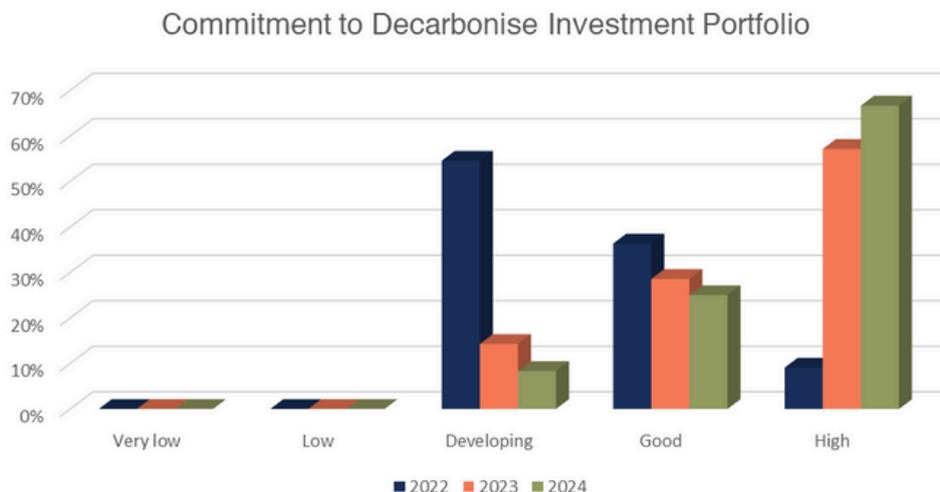
Commitment to Collaborate on Climate Action



06 Decarbonise our investments and operations

In the graph below, we can see significant shifts in the level of commitment to decarbonising investments. Note that 'commitment' in the pulse survey is not evidence or disclosure of decarbonisation in Investment Portfolios.

1. Measuring and reporting emissions across the companies' value chains,
2. Setting a 2030 target (35 per cent had a SBTi commitment) and,
3. Having a chief sustainability officer (or equivalent) to coordinate and drive action.



A study² in 2023 by Climate Impact Partners looked at the climate action of the world's top 500 companies, representing about US\$41 trillion in revenue. It found that there were three markers which correlated with reducing emissions in companies:

For decarbonisation to happen across a whole organisation, the board has to both understand the risks and opportunities and steer the direction of the organisation. This has been evident across signatories in Aotearoa New Zealand.

Example:

The Values Trust has a climate strategy which prioritises one climate target. It pools its funding and resources to make as much traction as possible in that identified key area. Values Trust climate action focus is to shift land away from animal agriculture to regenerative land practices that still generate revenue.

They support two initiatives to achieve this objective:



Values Trust Team

² [Infratil: Navigating climate-related issues at the board table](#)

- **Daisy Lab:** Daisy Lab hopes to shift Aotearoa New Zealand’s heavy reliance on the carbon-intensive dairy industry by creating lab-made dairy products using a process called precision fermentation. A report by ReThink X forecasts precision fermentation as the pivotal disruptive technology in food production for the next decade.
- **Map of Ag:** Aims to meet a growing need for data-driven insights to land performance by connecting data from farms and the food supply chain. Their Pure Farming platform cleanses and standardises data from a wide range of sources to help organisations across the supply chain. “Whether it be the carbon footprint of a beef farm, the product quality of wheat, the water usage of fresh produce, or the provenance of a pint of beer, our systems have been built to connect data across the supply chain to provide transparency and support organisations and food producers in their management decisions.”

Values Trust tasked their investment manager with doing a carbon assessment of their investment portfolio and found that they were producing 45,000kgs of carbon. To offset these emissions would be equivalent to planting roughly 2,000 trees. Values Trust directly purchased land in Raglan that was previously used for agriculture, with the purpose of regenerating it into native trees to off-set their own emissions directly. They intend to out-source the planting to Kaitiakitanga Trust who provide work experience and opportunities to at-risk rangatahi (youth).

On the land block where they are planting the native trees, they are setting up a doggy-daycare business, whose profits will then fund Helping you help animals (HUHA), an organisation that desexes, rehabilitates and rehomes wild cats and dogs - domestic animals are a huge threat to native bird life populations.

This is an exciting and innovative example of the wide reaching benefits of decarbonising the value-chain and how local off-setting can create value.

Wellington Community Fund Commitment towards Net-Zero



“ Together with Forsyth Barr, we have produced a ‘Combined Commitment’ which ties us together in a partnership that commits us both to support the Fund’s investment portfolio to be aligned with net zero emissions by 2050 or sooner. ”

- Wellington Community Fund

The focus of the combined commitment is to:

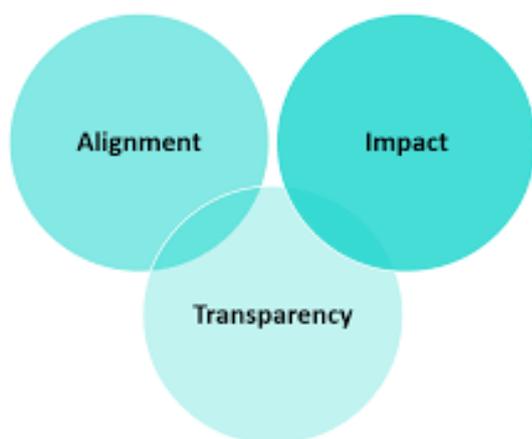
- Keep the weighted average carbon intensity and financed emissions of the portfolio low;
- Intentionally increase investment in climate action solutions that also meet WCF’s investment objectives;
- Work in partnership with industry peers and portfolio companies to have credible decarbonisation strategies.

07 Report on progress

This is the second annual report on progress for the Funders Commitment using aggregated data and year on year comparisons through the 'pulse' survey and interviews. Individual signatories can use their learning to set targets and make progress and disclosures more visible across their websites, annual reports and financial statements.

What is the aim of climate-related disclosure?

The goal of disclosure is to bring transparency to organisations' climate-related risks and opportunities. Broad disclosure of climate-related financial risks enables more informed investment, credit and insurance underwriting decisions and can help facilitate the transition to a more sustainable, low-carbon economy. Some of our signatories already voluntarily disclose their climate-related risks and opportunities but are not mandated to do so.



Key Insight from 2022 to 2024 Reporting

We see a shift...

from collecting data solely based on sentiment (years 2022 and 2023),

towards collecting data integrating impact, transparency and alignment.

We're in a transitional phase of our own impact journey which is evident in the report and usual in climate reporting.

Crucially, stakeholders and the general public look at what is visible and disclosed publicly in climate action (through websites, annual reports and financial statements), it is therefore necessary that Climate Action Aotearoa will continue to identify other visible evidence in the public domain.

The Next Steps for Climate Action Aotearoa is to support and assess progress through a number of tools, using an integrated approach, as discussed. The shift over time moves from sentiment to evidence.

CAA will integrate evidence through these three lenses: **impact, transparency and alignment.**

Impact is how well signatories are going at

- Cutting emissions (including from the value chain) and how well-placed they are to cut emissions deeply in the future.
- Measuring impact beyond carbon emissions through the Tika Transition.

Transparency measures the level of detail signatories voluntarily reveal to the public about their exact sources of emissions and the steps they take to reach their targets as well as the materiality of their climate actions.

The information a signatory chooses to be transparent about, and what it omits matters a lot. Without transparency, we are blinkered, and left to speculate about circumstances and our impacts. This is why transparency is at the very core of the Paris Agreement and Science Based Targets Initiatives (SBTi).

Signatories of the Funders Commitment should be transparent with their investments as these are usually far more material than their grantmaking.

Climate **alignment** is the process of bringing the global economy's emissions in line with Science Based Targets. This is what we mean by language like 'Paris aligned'.

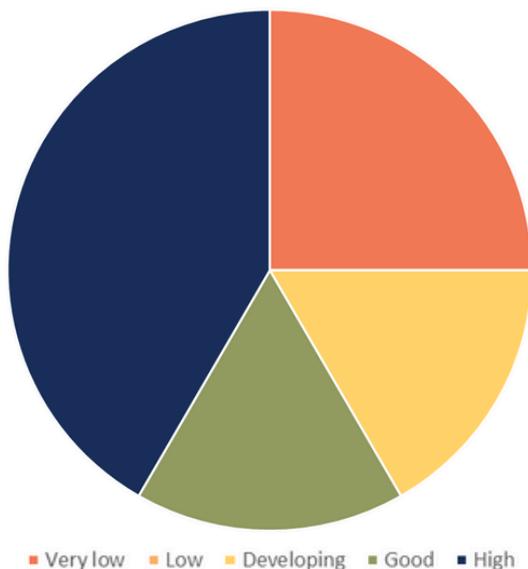
Alignment scrutinises 'other' activities, is it using offsets that do or don't have integrity, what is the proportionality with which its investment portfolio compares to the climate action it publishes? What information is currently being omitted from reporting? Is it making granting decisions that help New Zealand's climate performance? Are these material? As we can see, transparency and alignment go hand in hand.

Because of this shift in reporting, we included 3 new questions in the 2024 pulse survey.

New Pātai in 2024 survey:

1. Overall progress in disclosing your metrics and targets relevant to climate risks and opportunities
2. Level of awareness of the Tika Transition and Funders Commitment on your governance board
3. Level of awareness of the Tika Transition and Funders Commitment on your Executive Leadership Team

Overall progress in your organisation on disclosing your metrics and targets relevant to climate-related risks and opportunities



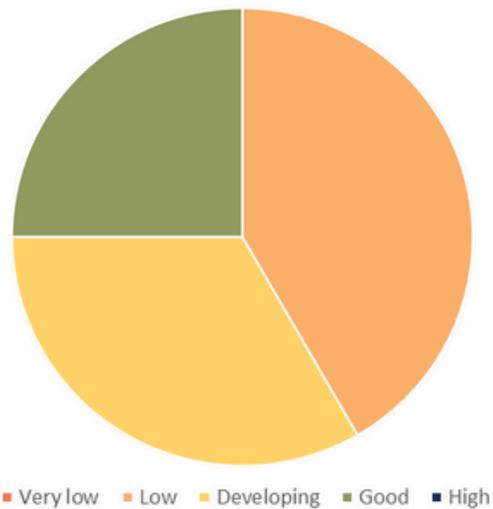
Eastern and Central Community Trust is an outstanding signatory in disclosing relevant climate related information in the public domain.

It is clear, easy to navigate transparent information in a living document available on their website. ECCT has also included the verifier's (Toitū) documentation for public to view.



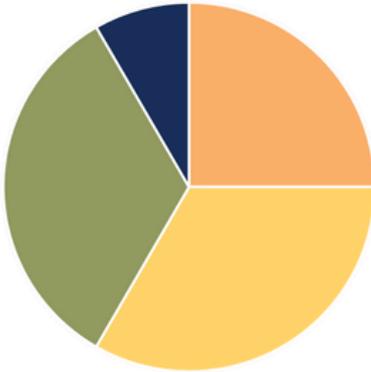
Below we can see that 25% of participants marked the level awareness of The Funder's Commitment as good across their governance board. None marked it as high.

Level of awareness of The Tika Transition; Funders Commitment on Climate Action across your governance board



Only 8% of participants marked that their Leadership team was highly aware of the Tika Transition and Funders commitment.

Level of awareness of The Tika Transition; Funders Commitment on Climate Action across your leadership team



Very low Low Developing Good High



Bay Trust's Board has committed to learning across investment including impact investment. We haven't necessarily got our heads across the Tika Transition yet, but our board understands impact.

- Lisa Hickling
Bay Trust Research and Evaluation Manager



Wellington Community Fund supports Mountains To Sea Wellington's seaweed restoration project.

CAA encourages signatories to follow these principles in order to report against the Funders Commitment with integrity:

- There is a right time to start: Now.
- There is no 'right level' of engagement.
- Collaborate to increase impact.
- Signatories can't claim to be on track if they're investing in new supplies of fossil fuels or capital that does environmental or social harm.
- Signatories focus on cutting emissions before offsetting emissions.
- Signatories publish their climate targets, with descriptions of how they're going to meet their targets, these should be regularly reviewed.
- Signatories make climate impact transparent through websites and reporting mechanisms and aligned with SBTi's (Science Based Target Initiatives).
- Organisations can't sign up to the CAA Funders Commitment and do nothing.

06 Our Impact 2023 - 2024

Climate Action Aotearoa

Climate Action Aotearoa (CAA) presented its inaugural impact report in 2023. At this early stage, the most notable progress from the baseline survey of 2022 was increased *willingness* to act on climate issues. 2023-2024 was the first year of resourced support from the two climate leads, laying the groundwork for meaningful progress in the future.

Developing our Impact framing

During 2023-2024, we prioritised understanding our network by listening to pain points, and collaborating with CAWG members and Community Trusts to ensure our 'own house is in order'. Importantly, we piloted a self-assessment tool with Community Trusts to integrate deliverables of the Funder's Commitment into existing priorities.

The role of our Impact framing

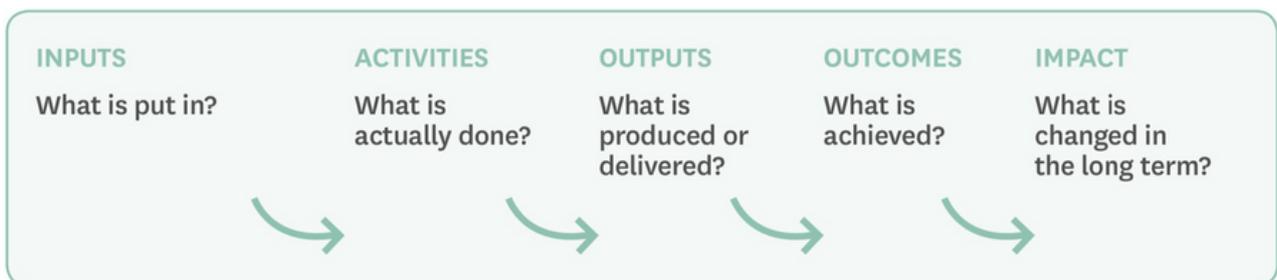
Any impact framework simply outlines activities undertaken and how these will generate outcomes. For CAA these activities include designing and sharing resources and templates, providing self-assessment tools, garnering stakeholder feedback, sharing case-studies, advocacy, webinars and workshops, and meeting individually with signatories to support specific needs.

It is important to acknowledge that any impact model is not static; it must adapt and evolve as new learnings emerge and are incorporated into our understanding. This approach ensures that observed learnings are recognised, integrated, and inform strategy to maximise our potential for creating impact.

Key Activities

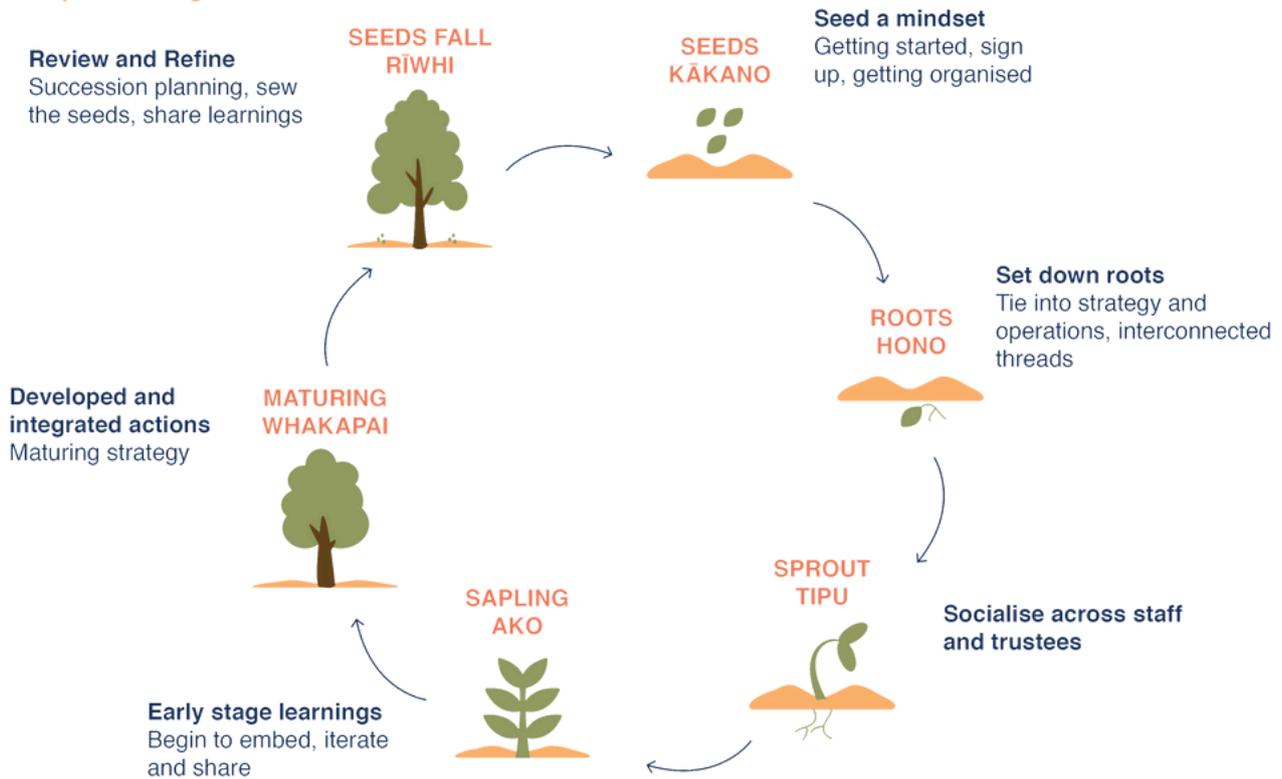
The pilot self-assessment tool allows signatories to review their organisation through the five organisational levers. It provides users with data and visual insights to share with their boards and stakeholders. 83% of respondents found this tool useful and would like to see it refined and simplified. 33% are interested in a co-design approach to this. It enables the collective to measure what's tika, and looks beyond carbon.

The life-cycle approach on the next page shows the 'levels of progression' from 1-6 or from 'seeds' to 'seeds falling'. This avoids scorecards or competitive hierarchies and promotes a more inclusive and distributive path to progress.



Te Rautaki | Germinating a Movement

Implementing the Funder's Commitment



Climate Action Aotearoa’s Funders Commitment are generally implemented internally through five organisational levers; strategy, governance, operations, grant-making and investment. Historically, philanthropy has generally leveraged only one principal lever: grantmaking. **The way we now view impact has fundamentally changed.**

Below are two examples of visual data from the pilot Self-assessment tool. Fig 1 shows that this community trust views itself to be between stage 4 Sapling and stage 5 Maturing, on its journey against the Funders Commitment and Tika Transition.

Figure 1:

Life Cycle Assessment Across All Levers

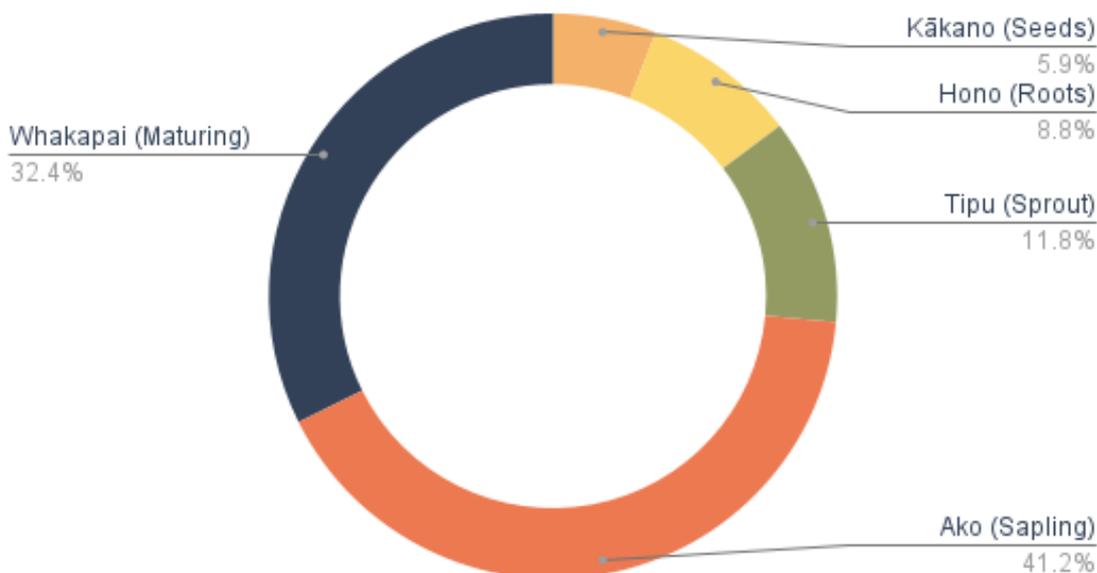
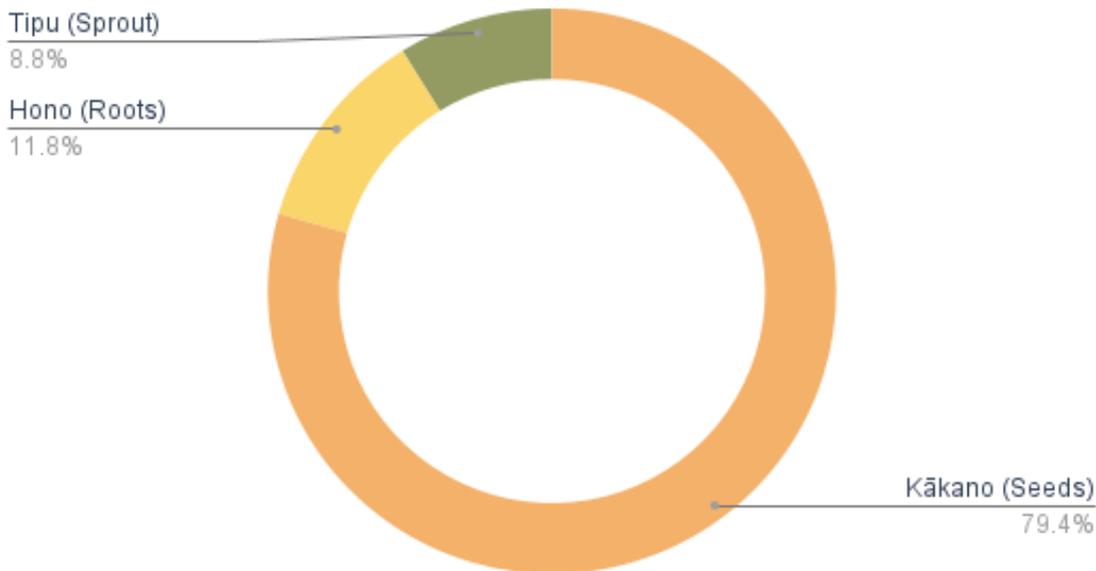


Fig 2 below shows another community trust which has only just started its journey against the Funders Commitment. This Community Trust has reviewed itself as largely at stage 1 (Seed).

Figure 2:

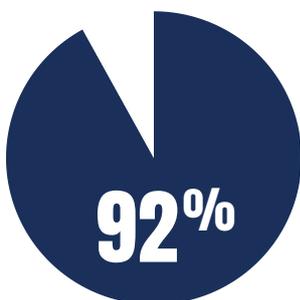
Life Cycle Assessment Across All Levers



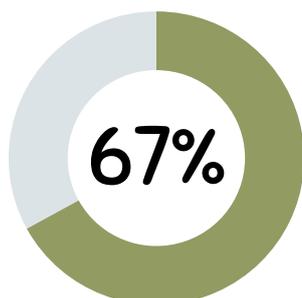
Climate Action Aotearoa seeks to understand all signatories' priorities to develop consistency in data collection and reporting on progress made towards a just/tika transition to a lower carbon Aotearoa New Zealand.



83% stated that they think the tool holds great value to measure consistency across the signatories though the pilot had too many questions, and was too time consuming.



92% stated that a dashboard is helpful to communicate progress against the Funder's Commitment to the board and stakeholders.



67% stated that the life-cycle approach was helpful to measure and support a simplified version.

07 Next Steps

Five priorities were identified for the coming year:



Engage and empower Māori and rangatahi aspirations in climate action.



Embed climate action beyond the lead person to the whole organisation.



Share, advocate and collaborate to amplify impact.



Invest in Climate Governance.



Disclose and Report on Climate Impact.

Below we outline what success can look like across the five organisational levers of change. Note that the journey is as important as the destination. It's unlikely any of us have reached the destination yet.

Operational

Our organisation decreases operational emissions before off-setting emissions - following the operational spend helps us identify carbon exposure. Our operational structures aren't likely to have the biggest impact, but this process builds confidence,

awareness and understanding for bigger kaupapa like decarbonising our investments. We regularly monitor and evaluate operational services to ensure we're on track against our targets. We show our impact through public facing media and show 'how' we get there and when it's reviewed. We are transparent with any 'offsets' used. If the operational impacts are not proportionally material against the organisations net worth, any promotion of that impact could be viewed as greenwashing.

Strategic

We have a strategic pou which includes sustainability/the environment and/or climate. We stress-test the organisation's exposure to climate-related risks and regularly assess our emissions reduction and climate action plans. We look beyond carbon and embed 'tika' within our Strategic pou to evaluate systems change. We have identified climate-related opportunities that deliver strategic advantage and set us up well for climate related economic shocks. Climate-related risks and opportunities inform our short, medium, and long-term operational strategy. Climate risk considerations are embedded across BAU and strategic decision-making processes and evidenced in practice.

Governance

We enhance Board capability through training and consider climate change related skills and knowledge in the skills matrix of board members. Trustees have opportunities for climate governance induction programmes and ongoing professional development. Boards consider the value of voluntary disclosures as a means to drive action and are satisfied that commitments made to reduce Greenhouse gas (GHG) emissions are achievable and evidence-based. GHG Reporting has been subject to external audit or assurance (Toitu, EKOS, other). Boards ask specific questions to key finance personnel about the impact of material climate assumptions on asset useful lives, valuation and impairment, liability provisions, revenues, expenditures and cash flows. Boards begin to collect and report metrics as per organisation's carbon policy and other commitments. Boards have oversight through regular reporting as to how the metrics are collected, which targets are used and the alignment to transition roadmaps. The organisation's climate action is communicated with clarity.

Grantmaking

Funders tag climate-related alignment through the application process and enable climate competency amongst grant-seekers. Granting focuses on an equitable/tika transition shifting away from historic power dynamics between givers and receivers towards more participatory granting through the acknowledgement of the importance of involving communities in decisions made on their behalf.

Grants are used to support both mitigation and adaptation to climate challenges. This can look like supporting climate education, advocacy, wetland restoration, food security, riparian planting, wānanga, housing, etc. See Appendix 3 for Climate Action categories in Grantmaking.

Investment

In the past, Trustees thought about how income from the capital invested could be used to do good. The new Trusts Act 2019 reframes this – it references the purpose of the Trust itself and the need to bear that in mind when investing. This means that Trustees look at where capital is invested and how it advances the purpose of climate action and has impact, as well as what to do with the income. Our investments align with our core values. This shifts the accumulation of capital in extractive portfolios towards a re-allocation of capital investing directly in impact.

It's contradictory to be trying to mitigate and build climate resiliency within our communities whilst simultaneously investing in fossil fuels and carbon intensive industries which we know cause and exacerbate climate change.

Concluding Comments

Our report shows four major shifts in our collective mindset in philanthropy is happening across:

Capital...

- **Away from** an accumulation of capital in extractive industries
- **Towards** a re-allocation of capital to directly support communities (distant or local) by investing in impact.

Granting...

- **Away from** an unbalanced power dynamic of givers and receivers
- **Towards** more power sharing and participatory granting through involving communities in decisions made on their behalf.

Governance...

- **Away from** generic governance
- **Towards** including climate governance.

Reporting...

- **Away from** solely sentiment data
- **Towards** including quantifiable impact data.

We offer the following suggestions to funders that want to dive in deeply to supporting climate action:

- Start with an impact framework that focuses on the systems change needed across the five organisational levers.
- Centre the people who have been harmed the most to co-design the best solutions.
- Bring all the tools in your toolbox. Use our collective assets: grants, investments, networks, and our own advocacy voice.
- Centre climate as relevant to every mission and all your initiatives in the same way you do with Te Tiriti o Waitangi.
- Be audacious because our mokopuna deserve it.

Tūngia te ururua, kia tupu whakaritorito te tupu o te harakeke.

Clear away the undergrowth so the new shoots of the harakeke can spring forth.



Daisy Lab's first-ever products made from precision fermented whey protein

Appendices

Appendix 1 - How is indigenous knowledge (Mātauranga Māori) being applied?

- **Participatory Decision-Making:** Collaborative approaches that include indigenous communities in decision-making processes related to land and resource management - usually - lead to more effective and sustainable outcomes.
- **Community-Based Adaptation:** Indigenous communities are often at the frontline of climate impacts. Their adaptation strategies, built on generations of experience, can inspire and inform broader climate adaptation efforts.
- **Sustainable Land Management:** Indigenous communities often possess valuable insights into sustainable land management practices. Their traditional farming, fishing, and hunting methods are often rooted in a deep understanding of local ecosystems and their dynamics, helping to maintain biodiversity and prevent ecosystem degradation.
- **Forest Management:** Many indigenous groups live in or near ngāhere and have been practising sustainable forestry for centuries. Their knowledge of selective logging, agroforestry, and other techniques can help prevent deforestation and promote reforestation efforts.
- **Biodiversity Conservation:** Indigenous knowledge often includes a profound understanding of local plant and animal species. This knowledge can be crucial for identifying threatened species, managing wildlife habitats, and implementing conservation strategies.
- **Climate-Resilient Agriculture:** Indigenous agricultural practices are often adapted to local climates and environmental conditions, making them more resilient to changes in weather patterns and extreme events caused by climate change.
- **Water Management:** Indigenous communities often have intricate knowledge of water sources, watersheds, and sustainable water use. This knowledge can be crucial for managing water resources in the face of changing precipitation patterns.
- **Traditional Ecological Knowledge (TEK):** TEK encompasses the holistic understanding that indigenous communities have of their environment, including the relationships between species, ecosystems, and natural processes. This knowledge can provide insights into ecosystem functioning that can inform modern conservation and restoration efforts.
- **Cultural Preservation:** Many indigenous cultures are closely intertwined with their environments. By protecting their lands and resources, indigenous communities also preserve their cultural heritage and unique ways of life.
- **Fire Management:** Indigenous communities have traditionally used controlled burning to manage landscapes and prevent larger, uncontrolled wildfires. This practice has gained renewed attention as a valuable tool for preventing devastating wildfires in some regions.

Adapted from MBIE's [‘A guide to Just Transitions for communities in Aotearoa New Zealand He puka arataki whakawhitinga tika mō ngā hāpori i Aotearoa’](#)

Appendix 2 - Climate-Related Grant-making Categories

Below we describe what climate action grant-making may look like in themed categories. The purpose of this is to ascertain if current funding 'fits' under climate action and to tag or identify climate action granting. Test last year's/quarter's spend and begin to align spend with the categories below. As you go, think about what funding doesn't fit and could be phased out applying a 'do no harm' approach. Feedback any changes to these categories to Climate Action Aotearoa.

Grant-making Categories - Thematic Climate Related

Your organisation may already grant into these areas but may not think of it as climate action. These categories align to climate action as described.

- **Advocacy:** Climate change advocacy is about more than ecological concerns, it includes social equity, social justice and human rights, advocating for an equitable and sustainable future for all, necessitating the equitable allocation of indispensable resources and protection of rights. May include campaigns, communications, recognising mātauranga Māori in climate action, 'local or national-level political action; community activism'.
- **Agriculture and Food Systems:** including support for organic, regenerative and other forms of sustainable farming; training to help farmers develop regenerative and adaptive techniques; localising food and reducing food miles; campaigns relating to the control of the food chain; initiatives opposed to factory farming; horticultural operations and projects; opposition to the use of genetically modified crops, mass monocultures, synthetic fertilisers; work on food safety and on the genetic diversity of agriculture (including seed banks); and soil health conservation.
- **Biodiversity and species preservation:** focused on work that protects particular native species, be they plant or animal. Included within this is support for native forestry, pest control; the protection and conservation of habitats; and defence of globally important biodiversity hotspots, including the use of reserves, national parks, and wildlife trusts.
- **GHG emissions and atmosphere:** the bulk of the money in this category is targeted towards work on carbon and methane emissions, with a much smaller sum directed towards the issue of ozone depletion. Also included: air pollution and local air quality.
- **Coastal and marine ecosystems:** includes support for work on sustainable fisheries; aquaculture; the blue economy, coastal systems and estuaries; cumulative effects; marine protected areas; and marine pollution (such as marine dumping).
- **Consumption and waste:** covers work directed at reducing consumption levels through circular economy and repair; initiatives that look to redefine economic growth; projects on waste reduction, sustainable design (lobbying against in-built obsolescence) and sustainable production; recycling and composting schemes; and all aspects of waste disposal including e-waste, incinerators, and landfills.
- **Education:** targeted education for specific priority communities including behaviour change, skill development, toolboxes, capability building, professional development etc.
- **Energy:** covers alternative and renewable energy sources; energy efficiency and conservation; work around transitioning away from fossil fuels, hydroelectric schemes, and the oil and gas industries.

- **Fresh water:** covers all work relating to lakes and rivers; canals and other inland water systems; issues of groundwater contamination and water conservation; and projects relating to wetlands.
 - **Mātauranga Māori:** Enabling and amplifying mātauranga Māori alongside western science to support tino rangatiratanga and Māori aspirations in climate action.
 - **Sustainable communities:** covers urban green spaces and parks; community gardens; built environment projects; and community-based sustainability work.
 - **Tika Transition:** Enables greater equity in the transition to a low carbon society. Supports initiatives that foster equitable transition, and supports vulnerable communities burdened by the impacts arising from the transition. Encourages the co-design of grant-making strategies and processes with leaders who represent community and mana whenua, reflecting authentic relationships (whanaungatanga). Enables community-led climate developments and leadership. Specifically recognises Māori and tangata whenua.
 - **Terrestrial Ecosystems and Land Use:** as with 'agriculture' and 'biodiversity', this is a broad category encompassing land purchases and kaitiakitanga/stewardship; national or regional parks; landscape restoration and landscape-scale conservation efforts; work on land use planning; tree planting, forestry, and work directed to stopping deforestation; and the impacts of mining.
 - **Toxins and pollution:** covers all the main categories of toxins impacting on the environment and human health: hazardous waste; heavy metals; pesticides; herbicides; radioactive wastes; Persistent Organic Pollutants; household chemicals; other industrial pollutants; and noise pollution.
 - **Trade and finance:** the trade and finance category encompasses work on corporate-led globalisation and international trade policy; efforts to reform public financial institutions (such as the World Bank, International Monetary Fund, and Export Credit Agencies); initiatives around the reduction of developing country debt; impact investment and 'green finance' and local economic development projects and economic re-localisation.
 - **Transport:** includes all aspects of transportation, including public transport systems; transport planning; policy on aviation; freight; alternatives to car use plus initiatives like carpools and car clubs; the promotion of cycling and walking; and work on vehicle fuel energy.
-

Possible Questions on Climate Action Funding:

- Are you increasing your spend on Climate Action Funds to your communities?
- Do you have a mechanism to tag your funds to Climate Action in Fluxx or other?
- Can you report back to Climate Action Aotearoa quarterly and annually on tagged funds to Climate Action?
- Does your project improve mitigation or adaptation to climate challenges? If so, how do you measure your impact?
- Are there any potential unintended consequences of your project on the environment?

Appendix 3 - How to read the emissions data

Emissions are reported in Scopes 1, 2 and 3. If this is hard to grasp at first, we have a good shorthand to remember what each scope includes: **Burn, Buy, Beyond**. Scope 1 is what you burn; scope 2 is energy you buy; and scope 3 is everything beyond that.

Scope 1 emissions: Direct emissions from sources the organisation owns or controls, for example company vehicle fleets, office fridges, and heating, cooling and lighting of premises or direct emissions from burning coal or gas at an organisation's sites/offices.

Scope 2 emissions: Emissions from creating the electricity the organisation uses, but doesn't produce itself. For example, buying electricity.

Scope 3 emissions: Emissions from the organisation's supply chain. These emissions aren't produced directly by the organisation, but are created by the organisation's activities. Examples include emissions from the banks owned by the organisation, emissions from grants which enable emissions to its grantees, (such as large events) business flights and taxi trips for staff and freight for getting goods from third-party suppliers.

CO₂-equivalents: For the purposes of reporting, organisations usually convert all planet heating gases (including methane and nitrous oxide) into units of carbon dioxide equivalent by averaging each gas's heating impact over 100 years. All emissions in company tables are reported in CO₂-e.

Climate Action Aotearoa

The Funders Commitment
on Climate Action.

www.climateactionaotearoa.co.nz

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