

# Funder Commitment on Climate Change – four years on (10 minute read)

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A whole year has once again passed since John Ellerman Foundation last reported on our progress against the [Funder Commitment on Climate Change](#) (FCoCC). The FCoCC was originally set up by Nick Perks, and it is now hosted and supported by [the Association of Charitable Foundations \(ACF\)](#). We have been signatories to the FCoCC since December 2019. You can find out about the progress we made in our first year by reading [this update](#) that our former Grants Assistant, Philee Ang-Chen, wrote back in December 2020, and I wrote two further annual progress reports in [November 2021](#) and [December 2022](#). Alongside these annual progress updates here on our website, we also report directly to ACF who send out a survey to signatories each year.

There are now 108 signatories to the FCoCC. As a group of trusts and foundations we are bound together in our belief that the climate emergency represents a serious risk to the pursuit of our charitable aims, and that whatever our charitable mission and field of expertise, we can and must play our part in addressing the causes of the climate emergency and supporting adaptation to its effects.

Everyone who signs up to the FCoCC, makes the following **six commitments**:

1. To educate and learn;
2. To commit resources;
3. To integrate the commitment in all that we do;
4. To steward our investments for a post-carbon future; and
5. To decarbonise our operations; and
6. To report on progress.

## Highlights from our first three years (as shared in previous annual updates)

As signatories, there are several matters of note from our previous three reports. [Our strategy for 2022-25](#), which was agreed in March 2022, demonstrated what we have been working towards for some time, and that is to deliver our overarching aim of advancing wellbeing for people, society and the natural world with 100% of our assets. This means our grantmaking, investing and wider operations.

The strategy is clear in sharing our commitment to responding to the climate crisis, amongst other things. Over the last few years, we have been refining our own understanding of how to do this throughout all areas of our work, including the management of our investments. We share our approach to investing in a public facing Investment Policy which underwent an extensive update in 2020 and is now reviewed and updated annually.

We have also committed to learning as much as we can about how best we can respond to climate change, and a lot of this has been through grantmaking and investing communities that we are a part of, such as the Environmental Funders Network and ShareAction's Charities Responsible Investment Network, as well as training for the team and Board by Aim-Hi Earth.

We have also updated our funding guidelines under our Environment category to make it much clearer that we are keen to support work relating to climate change. We have also run two rounds of the UK Overseas Territories (UKOTs) Fund in 2021 and 2022. The UKOTs Fund is a funder collaboration supporting environmental work happening in the UKOTs, which are vital in responding to the climate crisis, with many of the UKOTs acting as the first line of defence against the worst impacts of the climate emergency.

In early 2022 we also agreed our Environmental Sustainability Policy, and published this to our website, along with our Investment Policy. [You can access both Policies through this page on our website.](#) The new Environmental Sustainability Policy also resulted in a change to our second stage application process. We now ask all second stage applicants to submit their environmental sustainability (or equivalent) policy as part of their application. However it is in no way a condition of getting a grant from us and is simply an opportunity for us to hear from them about their thinking in this space and to offer our own reflections in the hope that this can be helpful.

### Progress made in the last year

Over the last year, we have continued to make progress against each of the six commitments. This has been in part by continuing with work from the first three years of being a signatory, where it made sense for us to do this, as well as delivering new pieces of work. Perhaps the area where we have made the most progress over the last year relates to **‘Steward our investments for a post-carbon future’**, but we have many positives to speak of elsewhere, including under **‘Educate and learn’** and **‘Commit resources’**. Our progress is summarised below.

Under the commitment to **‘Educate and learn’**, we have continued to engage climate change experts in our work and have attended seminars and events organised or promoted by various organisations, like Environmental Funders Network, Greenpeace, Climate Outreach, ClientEarth and many others, as well as remaining a member of the Climate Funders Group.

All new staff and Trustees watch Aim-Hi Earth’s nature and climate training as part of their inductions, and this year in July 2023, the team came together to watch the training and discuss their reflections on each session. The training is split into the following four sessions:

- Session one – Carbon, tipping points and our simplest solutions.
- Session two – Nature, soil and the future of food.
- Session three – Population, pollution and finding a balance.
- Session four – How do we fix this? Making the impossible possible.

The training has also been made available to all grant-holders, via links to the resources which are included in the offer letters sent to new grant-holders. The recorded trainings were originally offered as live sessions that concluded in December 2022 and were delivered to 95 attendees. Examples of some of the feedback from grant-holders on the Aim-Hi Earth training is shared below:

- *“The course assisted us with amending areas of our Environmental Action Plan and some ideas for how we design our new programme with Julie’s Bicycle and A Greener Future on how to make disabled people’s access to music and live events environmentally sustainable.”*
- *“Refocus on reducing plastics, highlight importance of vegan catering, end relationships with sponsors/ funders with direct links to fossil fuels, raised discussion about ethical pensions, kept momentum with energy management strategy.”*
- *“We have changed our bank account to an ethical bank, and we have re-developed our action plan to be more targeted.”*

Under '**Commit resources**', there are some specific grants relating to our response to the climate crisis that it is worth us highlighting. The first relates to our involvement in the EFN (Environmental Funders Network) Philanthropy Lab, which started with the inaugural funder group beginning an 18-month journey together in January 2023 to explore the topic of '*economies in service to life*'. As well as our funding, we are represented in the group by me, in my role as Director of the Foundation. Between March 2023 and September 2023, all Lab participants heard from a range of speakers responding to the nature and climate crises, including think tanks, litigators, communications experts, new economy actors, agroecology experts etc. The Lab is now working on the following three topics from September 2023 to April 2024 –

1. Supporting transformative **rights of nature** work
2. Shifting the **narrative around the tax system** so that it can better protect and restore nature
3. Developing and piloting an **investment matrix** for the philanthropic and charity sector that goes beyond what is currently available through ESG (environment, social, governance) investing.

We provided one year of core costs funding to the Association of Charitable Foundations (ACF) in July 2022 to support their work to manage and promote the FCoCC. The work was delayed due to staffing changes at the ACF, and so this grant is due to be reported on by ACF in December 2023.

We provided a grant for one year to the Sustainable Wellbeing Environment Network, which is delivering a course to environmental practitioners aimed at supporting them to deal with eco-anxiety – a condition that is important to consider in relation to the nature and climate crises.

Our Museums and Galleries fund includes two grants supporting curatorial work relating to the climate crisis – one is for Sainsbury's Centre for Visual Arts, and its climate curator role. This grant was awarded in 2022. The second is for the Natural History Museum and its Our Broken Planet programme of work and sharing this with regional partners throughout the UK. This grant was awarded in 2023.

In 2023, we joined the Museums COP Funding Sub Group. The Museums COP has been organised by the National Museums Directors Council, with support from other organisations like the Museums Association. The Museums COP has involved five sub groups working on different topics in response to the nature and climate crises, and in November 2023 they agreed various statements and ambitions for the museums sector to sign up to, and work is now underway to consider the funding approaches that will be needed to implement these.

We continue to champion the need to support environmental work in the UK Overseas Territories (UKOTs), which are vital in responding to the nature and climate crises. In 2023, we have been exploring different options to try and raise more funds from other philanthropic organisations for our UKOTs Fund, which is a funder collaboration that we lead that distributed nearly £2m in 2021/22 and 2022/23. The option that we are currently pursuing is a funder trip to two of the UKOTs to see the work in action and hear directly from organisations.

As of November 2023, our live grants portfolio comprises 20 multi-year grants worth a total of £1,869,330 under our environment funding category that are delivering climate action related work. Of these 20 grants, eight started in 2023.

In relation to '**Steward our investments for a post-carbon future**', we recruited a new Trustee to the Board and the Finance and Investment Committee with responsible investing experience and expertise – Lily Tomson. We included that we were looking for this experience and expertise in the recruitment pack and assessed this in applications and interviews.

We instigated a new staff structure that has increased our capacity and capabilities in relation to our investing work. The core team comprises our Finance and Operations Manager, Head of Research and Impact, Director and Executive Assistant.

We completed a major update to our publicly available Investment Policy between February and May 2023. The updates provided more detail and ambition around our shareholder engagement work, our expectations of fund managers in relation to responsible and/or ESG investing, and our approach to impact and social investing.

We continue to meet with each of our fund managers annually, but we have set up a new structure and agenda to these meetings and now spend the majority of the presentation and discussions focussing on their responsible investing practices. We also met with each of our fund managers for an in-depth meeting on their shareholder engagement and responsible investing approaches, including their compliance with the framework provided by the COP26 declaration for asset owners, and compiled an internal report on the findings, which included RAG (red, amber, green) ratings and clear next steps on what we will continue to engage with these fund managers on.

We have been working with our investment advisors, Stanhope Consulting, to update their quarterly reports which now include more detailed information on responsible investing matters relating to our entire investment portfolio. This includes outlining our largest 20 holdings, exposure to sin stocks, energy holdings (broken down by gas, thermal coal, oil, and tar sands, across our equities, bonds and alternatives holdings), carbon intensity and carbon risk, top five emitters based on scope 1 and 2 and on scope 1, 2 and 3 emissions, share of absolute emissions, ESG scores, and SDG (sustainable development goals) alignment. This information is informing our discussions with fund managers.

We are actively participating in the Charities Responsible Investment Network, responding to requests for feedback and support on its various workstreams, including: influencing work relating to the proxy voting advisors; shareholder action work; helping to shape questionnaires for investment advisors; providing feedback on consultations like the Charity Commission's CC14 guidance etc. We have also provided a core costs multi-year grant to ShareAction to support their work to harness the power of the investment system and change it for the better.

We are also active members of the Finance Investment and Resources Management group, convened by ACF, the Social Impact and Investors Group, convened by ACF, and the Environment Impact and Investors Group convened by the Environmental Funders Network.

We contributed to Cazenove's research titled '[Climate Confident: Charity investments and net zero](#)', by responding to the survey they circulated and attending a focus group they invited us to.

We continue to research and refine our approach to impact and social investing. This year we produced analysis based on desk-based research, our involvement with aforementioned networks, and conversations with 18 sector colleagues, to produce options and ideas on how the Foundation can invest across the spectrum of capital, comprising: traditional investing; responsible investing; sustainable investment; impact investment; and philanthropic investment. At this time the majority of our investing is in traditional and responsible investing, and we have set out steps for increasing our levels of sustainable investing (currently circa 15% of our portfolio) and impact investing (currently 0% of our portfolio).

Under '**Integrate**', we continue to have meetings hybrid or online and to distribute papers electronically wherever possible. We also saw an increase this year in the number of Trustees requesting their papers electronically only. We continue to seek out opportunities to speak or write publicly about the climate and nature crises. For example, I chaired the event titled 'How should funders respond to the social impacts of the environmental crises, which was organised by NPC

as part of its programme of work titled Everyone's Environment, which seeks to connect the social sector with the nature and climate crises in their work.

In relation to the commitment to '**Decarbonise our operations**', we are working to the delivery of our new Environmental Sustainability Policy. We continue to discourage Trustees and staff from driving or taking flights when carrying out their duties (where feasible), and we have reduced the amount of meat and dairy served at events that we cater.

Finally, with regards to the commitment to '**Report on progress**', we continue to do so publicly and in a transparent way through updates like these, our Annual Report and Accounts, and via social media posts on X (formerly Twitter) and LinkedIn. We are grateful to all the inspiration we receive from other FCoCC signatories, and it is heartening to see that each year this number is increasing.

We think it is very important to report annually on our progress against the FCoCC. This begins with a report to our Board in November, followed by external reporting in the form of updates like this and to the ACF. Every time we report, we are pleased to see that our plans are leading to action and progress, but there is still much for us and others to do in response to the climate emergency.