



STEPPING UP TO THE CLIMATE CRISIS

Funder Commitment
on Climate Change
2023



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SUMMARY

- The Funder Commitment on Climate Change (FCCC) is a high-level framework to help foundations consider the ways that they can use their resources and independence to rise to the challenge of the climate crisis. It consists of six pillars of action for foundations to play their part in tackling the causes and impact of climate change.
- This year 3 report sets out the actions taken by signatories across these pillars, showing how they are building on existing work, or getting started in the case of newer signatories, to make progress in all areas.
- The high response rate to this year's survey (81% of eligible signatories) demonstrates that taking steps to address the climate crisis remains important for foundations in the UK and that most signatories are committed to reporting on the actions they are taking against the FCCC.
- This year's progress survey shows that during a time of rising costs, particularly energy bills, foundations are supporting charities and communities with funding for activities to mitigate the cost of living crisis alongside the climate crisis. This includes funding for energy efficiency programmes and retrofitting for domestic homes.
- Signatories are also including climate considerations in their strategies, and making specific commitments to fund work that supports action on climate change.
- Self-reporting of progress from signatories shows that many feel they have made the most progress around education and learning on climate change, and committing resources to accelerate work that addresses the causes and impacts of climate change.
- This report brings together a range of practical examples that foundations can take to turn concern about the climate emergency into tangible action, whether they are environmental funders or fund other causes. These examples range from those just starting on this journey, to those who have been working in this area for many years.
- It can be easy to feel overwhelmed by the scale of this challenge, however foundations have the power to make positive change and there are many actions they can take, whatever their charitable mission.

INTRODUCTION

“In short, our world needs climate action on all fronts — everything, everywhere, all at once.”

António Guterres, United Nations Secretary-General, 20.03.23¹

THE URGENCY OF ACTION

Speaking at the launch of the Synthesis Report of the Intergovernmental Panel on Climate Change in March 2023², UN Secretary-General António Guterres made this stark statement on the action needed to tackle climate change. His call for all sectors and areas to take action highlights the intersectional nature of climate change – it is a health issue, a gender equality issue, a racial equality issue, a cultural issue, an economic issue, a human rights issue and more.

THE FCCC: FOUNDATIONS ARE STEPPING UP

UK charitable foundations, with their ability to take a long-term approach alongside taking risks and supporting emerging ideas, are well placed to support action to tackle the climate crisis. They also provide funding every year to good causes across a range of charitable missions, funding which is increasingly supporting action around climate change, the environment and biodiversity. Together, foundations can use their power and influence to support others to play their part and to make change happen.

It is almost four years since the launch of the FCCC in November 2019. Hosted by the Association of Charitable Foundations (ACF), it offers a framework for foundations to identify actions and make progress to play their part in tackling the causes and impacts of climate change. It encourages the sharing of information, learning and experiences between signatories, with other foundations and across civil society, including through this annual progress report.

¹ <https://www.un.org/sg/en/content/sg/statement/2023-03-20/secretary-generals-video-message-for-press-conference-launch-the-synthesis-report-of-the-intergovernmental-panel-climate-change>

² <https://www.ipcc.ch/report/sixth-assessment-report-cycle/>

This year has also seen the rising cost of living disproportionately impacting marginalised communities, stretching charities' limits, and seeing foundations stepping up to support charities and communities across the UK. With the rising cost of energy affecting many individuals and charities, foundations have seen opportunities to link mitigating actions with climate conscious measures, such as funding energy efficiency projects.

YEAR ON YEAR PROGRESS

This year has seen an increase in foundations signing commitments on climate, both in the UK (100) and internationally, reflecting a growing recognition of the role that foundations can play in tackling climate change. Signatories in the UK fund a variety of issues, from children and young people, poverty and education, to community sport, music, heritage and the environment. The FCCC inspired other foundation networks to develop climate commitments, and this global community is growing. Over 630 foundations have signed national commitments on climate change in Canada, France, Italy, Spain and the UK, or the International Philanthropy Commitment on Climate Change³, hosted by WINGS, for foundations where a national commitment does not yet exist.

PROGRESS TAKES TIME

The action of signing the FCCC is progress in itself – it demonstrates that a foundation has recognised the risk that the climate crisis poses to its mission and is committed to taking action to support mitigation and adaptation to the effects of climate change. It represents discussions with staff and a board of trustees, gaining their buy-in for the FCCC, as well as a commitment to build on actions in the future. Signatories to the FCCC are at different starting points on their journey towards addressing the climate crisis, using the pillars of the framework to help prioritise and guide their work. The changes that some signatories make to their ways of working, funding practice and investment strategy can be huge, with progress taking time.

Progress is not always linear, but by providing examples through these annual progress reports and publishing the raw data received from signatories, we aim to provide inspiration for future activities and options to help foundations who are at the beginning of integrating climate considerations into their work.

³ <https://philanthropyforclimate.org/>

Signatories commit to taking action and making progress on six pillars of the FCCC, which are:

1. Educate and learn

We will make opportunities for our trustees, staff and stakeholders to learn more about the key causes and solutions of climate change.

We will commit resources to accelerate work that addresses the causes and impacts of climate change. (If our governing document or other factors make it difficult to directly fund such work, we will find other ways to contribute, or consider how such barriers might be overcome).

2. Commit resources

3. Integrate

Within all our existing programmes, priorities and processes, we will seek opportunities to contribute to a fair and lasting transition to a post carbon society, and to support adaptation to climate change impacts.

We will recognise climate change as a high-level risk to our investments, and therefore to our mission. We will proactively address the risks and opportunities of a transition to a post carbon economy in our investment strategy and its implementation, recognising that our decisions can contribute to this transition being achieved.

4. Steward our investments for a post-carbon future

5. Decarbonise our operations

We will take ambitious action to minimise the carbon footprint of our own operations.

We will report annually on our progress against the five goals listed above. We will continue to develop our practice, to learn from others, and to share our learning.

6. Report on progress

This report brings together signatories' responses to ACF's annual progress survey, as hosts of the FCCC. More information about the survey respondents and methodology can be found in [Appendix A](#), and [Appendix B](#) contains detailed results by funder size.

This report contains examples and information from a range of signatory organisations' survey responses, to give practical examples of how to put the commitment pillars into practice and inspire signatories and potential signatories alike. The raw qualitative data on activities and actions across the five commitment pillars can be [viewed online here](#). The sixth pillar, reporting on progress, is represented by this report.

Access the raw data here

OVERALL ANALYSIS AND CROSS-CUTTING THEMES

APPROACHES TO IMPLEMENTING THE COMMITMENT

Some signatory organisations are longstanding funders of the environment, biodiversity or climate related causes, while others have more recently made the connection between the causes they support and the climate crisis. The difference in mission, size, geographical location and type of foundation across the FCCC signatories has led to a range of different approaches to implementing the commitment.

STRATEGY INCLUSION

Signatories have continued to link the FCCC to their organisational strategy:

- **BBC Children in Need** have set out climate justice and sustainability in their new five-year strategy as an area for particular focus.
- Taking action on climate change is a key strand of **Quartet Community Foundation's** new strategy, launched this year.
- At the end of 2022, the **Calouste Gulbenkian Foundation** committed to a new five-year strategy that has Equity and (environmental) Sustainability as two pillars that will underpin all of its activities.
- **Friends Provident Foundation's** new programme strategy includes Decarbonising work as one of four pillars of their vision for a sustainable economy.⁴

Over this year, more signatory organisations have specifically included climate considerations in their funding and grant-making strategies:

- **Sussex Community Foundation's** four new funding themes were established to demonstrate their priorities over the next three years, one of which is to support "Action on Climate."
- In 2022 **OVO Foundation** conducted a review of their funding strategy which led to a commitment from the Board to focus funding on work that addresses the causes and impacts of climate change.

⁴ <https://www.friendsprovidentfoundation.org/our-programme/building-a-4-d-economy-by-using-all-of-our-assets/>

- Climate justice and sustainability has been named as a key driver within **BBC Children in Need's** grant-making strategic review 2022/3.

Inspiring Scotland has embedded climate justice and carbon reduction across different areas in their strategy:

- **Inspiring Scotland** has made an explicit commitment in their strategy to
 - “1) Support our funded organisations to remove carbon from their business models;
 - 2) Build our organisational capacity to use our influence to champion and progress carbon reduction activity;
 - 3) Support our funded organisations to explore how their work responds to issues of climate justice; and
 - 4) Be part of the national conversation around climate justice to drive policy and sector change.”

LINKING THE CLIMATE AND COST OF LIVING CRISES

In this year's reporting cycle, a number of signatories mention funding programmes to tackle the cost of living crisis around energy prices through actions which have an additional environmental impact.

- **Bath and West Community Energy (BWCE) Fund** has committed resource to fund projects with aims including tackling fuel poverty in ways that also includes environmental efficiency and/or environmental measures. Funded projects include providing slow cookers, slow cooker recipe books and heated over-blankets in the community.
- **The Robertson Trust** has funded energy advice services which support communities to address fuel poverty, whilst promoting sustainable energy usage.
- **Guy's & St Thomas' Foundation** has funded 20 organisations engaging with marginalised communities around climate and environmental issues.
- In response to the cost of living and energy crisis, **Power to Change** launched the Resilient Communities Fund providing small grants and energy resilience support for the community business sector, in partnership with the Centre for Sustainable Energy, Social Investment Business and New Local.⁵

⁵ <https://www.powertochange.org.uk/news/cost-of-living-and-energy-crises-free-resources-and-webinars/>

- **Sussex Community Foundation** has also committed resources to run specific funding programmes focusing on climate change including those funding energy-related investments.
- This year, trustees of the **Aurora Trust** decided to commit resources towards energy efficiency and home retrofitting, in part due to the impact of the cost of living and energy crisis and the recognition that improving the energy efficiency of homes will help to mitigate it.

The Robertson Trust has funded a range of services focused on food, such as community growing projects, pantries, and foodbanks, which seek to address food insecurity whilst also redistributing surplus food and reducing food waste.

AN INCREASED FOCUS ON CLIMATE JUSTICE

This year's reporting showed an increase in signatories explicitly recognising climate justice as an area of focus. Climate justice recognises that although the climate crisis is a global one, its effects are not felt evenly across the world, making it a social and political problem, as well as an environmental one. The worst effects of the climate crisis, such as extreme heat and flooding, are felt disproportionately by countries and communities in the Global South.

- "Recognising that climate change impacts on those who contribute to the issue the least, some of our funding is directed to work in the Global South; this year we made a grant to Ripple Effect for work in Ethiopia that aims to mitigate the impacts of climate change by supporting agroecological farming techniques and works to empower communities to be financially secure." **The Samworth Foundation**
- "Climate justice is important to us and we therefore focus our resources on communities on the frontline of climate change in the global south, specifically refugees, internally displaced persons (IDPs) and other forcibly displaced people." **JAC Trust**
- "We have made grants to a number of organisations working in the intersection between climate justice and the fields in which we are active, for example support for young people and the migration sector. These grants include the European Climate Foundation, Public Interest Research Centre, Positive Money, Revoke, Students Organising for Sustainability and Tripod Training for Creative Social Action." **Paul Hamlyn Foundation**

Blgrave Trust and **UnLtd** (the Foundation for Social Entrepreneurs) both reported learning how climate justice links to their work and strategy.

SHARING RESOURCES AND LEARNING

This year, a small number of signatory organisations reported the creation of resources for grantees around reducing environmental impact, and dissemination of learning from funded projects.

“We are committing additional resources to commission a learning partner for our successful Carbon Innovation Fund partners. This partner will ensure that learning and evaluation of projects is appropriately collated and disseminated in an open-source manner amongst relevant stakeholders. They will also bring together funded partners in a series of workshops, to foster further peer-learning and collaboration.” **Co-op Foundation**

“In 2022 Foundation Scotland's climate action working group spent several months compiling and creating a new web resource called '[Projects for People and Planet](#)'. This web resource acts as guidance for applicants on how they can design their project to deliver for people and the planet. This covers cost considerations, buildings, waste and resource use, travel and opportunities to let nature flourish. It includes case studies from our funded projects and best practice examples of how community groups can integrate climate action into the work that they do. The webpage aims to help applicants answer the question in our application form on the environmental impact of their project.” **Foundation Scotland**

“We have arranged for grant partners who work on climate change solutions, including Involve and Climate Outreach, to present at meetings with our staff and trustees. We have published a climate action learning hub on our website that acts as a central repository of key climate-related learnings from the work of our partners. We use our communications channels to highlight climate action work by our grant partners and encourage other philanthropies, non-profits and environmental organisations to learn from their work.” **Calouste Gulbenkian Foundation**

Others, such as **Global Greengrants Fund UK**, mention sharing their learning through reports and publications, and **Esmée Fairbairn Foundation** has shared a series of blogs about their support and work with partners to improve our natural world.⁶

“We take the view that sharing our learning with others so they can respond to the challenges of climate change can be impactful work in itself and our staff are encouraged to do this with peers and industry groups such as the Association of Charitable Foundations.” **Esmée Fairbairn Foundation**

RESOURCE AND CAPACITY

In this year’s progress survey, a number of signatories reported that they were using existing or new resource and staff capacity to embed climate considerations into organisational structures and involving climate considerations into selection processes for trustees or chairs.

- At **Guy’s & St Thomas’ Foundation**, a new office & facilities manager is now a member of their Climate Implementation Group,
- The director of the **Wates Foundation** is part of a Net Zero working group with the Wates Group who act as their landlord/host.

Some signatories have recruited trustees with specific knowledge, such as the **AIM Foundation** who recruited an environmental specialist to take “a leading role in educating (our) trustees, ambassadors and making (our) decision making more informed.” Others have included discussions about environmental priorities in trustee and chair recruitment, such as **Inverclyde Community Fund** and **Carnegie UK**.

⁶ <https://esmeefairbairn.org.uk/latest-news/funder-commitment-climate-change-2022-update/>

IMPORTANCE OF NETWORKS

As reported last year, many signatories referenced support and information they have received from membership of a range of networks. The Environmental Funders Network (EFN) was mentioned as a valuable network for signatories, and ACF continues to work with EFN through hosting events and sharing resources, such as an event held in May 2023 on integrating climate action into a foundation's work.

Some signatories mentioned location-based networks which either focus on climate action, or covered climate action in their meetings, such as the Scottish Funders Forum Climate Subgroup and the West Midlands Funders Network, which held a conference on sustainability and climate change.

Networks around investment were also cited, with examples such as ACF's Social Impact Investors Group (SIIG)⁷, the Charities Responsible Investment Network (CRIN)⁸ hosted by ShareAction⁹ and Esmée Fairbairn Foundation and EFN's Environmental Finance and Learning Fund.¹⁰

REPORTING ON PROGRESS

The sixth pillar in the FCCC commits signatories to report annually on progress, and continue to develop their practice, to learn from others, and to share learning. Many signatories continue to report on progress internally, to their board and through staff sessions, and specifically on investments (see later section).

Three signatories have reported specifically about their progress against the Commitment pillars on their website, with 11 more signatories publishing more generally about their commitments and actions around the environment or climate change. Links to this information is provided in Appendix C. 10 signatories have included a section about the FCCC in their annual report and accounts.

⁷ https://www.acf.org.uk/acf/Connect_collaborate/Special-interest-groups/ACF/Connect_collaborate/Special-interest-groups.aspx?hkey=3920f369-7066-4d66-a9e9-a15b5aa8925e

⁸ <https://shareaction.org/investor-networks/charities-responsible-investment-network>

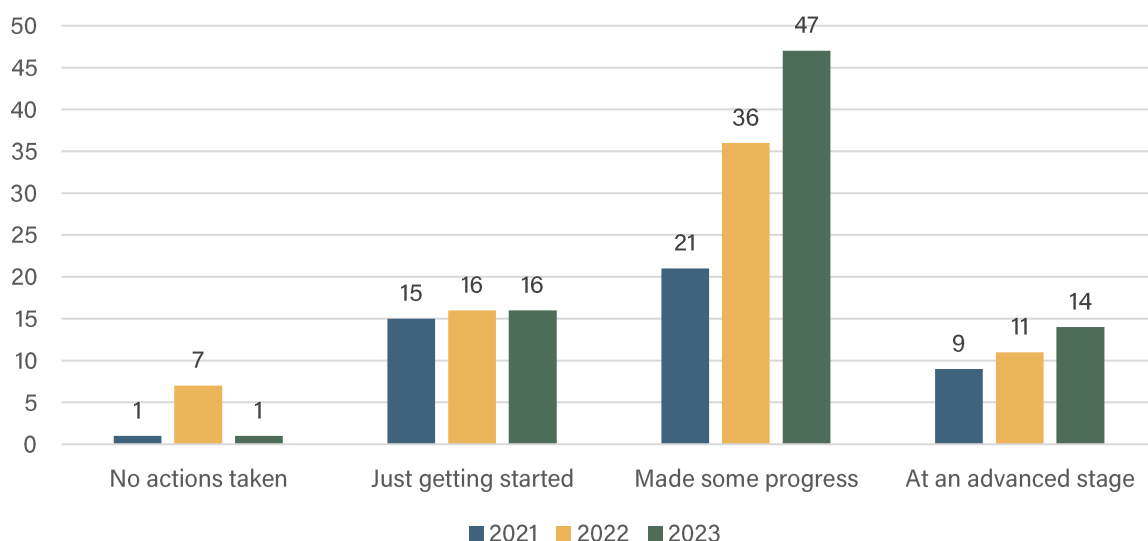
⁹ <https://shareaction.org/>

¹⁰ <https://esmeefairbairn.org.uk/latest-news/environmental-finance-and-learning-fund/>

PROGRESS UNDER EACH PILLAR OF THE COMMITMENT

EDUCATE AND LEARN

We will make opportunities for our trustees, staff and stakeholders to learn more about the key causes and solutions of climate change.



There has been a steady increase in signatories making progress over the past three years on the first pillar 'Educate and learn.' The increase is clear both for those who have 'made some progress' and those describing their progress under this pillar as 'at an advanced stage'.

Reflecting the range of training opportunities available, many signatories have engaged with external providers, such as the Carbon Literacy Project (nine signatories), AimHi (two signatories), Go Climate Positive (one signatory) and Active Philanthropy (one signatory). Over 15 other training opportunities were mentioned by signatories, including ACF's events programme run for FCCC signatories. In some signatory organisations, whole staff teams have taken part in training, with new staff trained when they join, while in others in-depth training has been received by one member of staff or a section of staff have received training. A smaller number of signatories have also supported grantees to undertake external training.

As in previous years, networks such as the Environmental Funders Network, ACF's SIIG¹¹ and local funders networks have provided opportunities for staff to come together to further knowledge and connections. Two foundations have trustees on their boards acting as leads on climate change education and information sharing. More informal ways of learning reported include a foundation-wide 'content club' and 'book club'.

Some signatory organisations have provided opportunities for grantees to present the findings of funded work around climate back to staff and trustees. These foundations say that they have the most to learn from those they fund (see examples below from Global Greengrants UK and Treebeard Trust).

Examples of activity

We aim to have a focus each year for our sustainability work. This is to allow different team members to contribute from their knowledge and interests to the project.

Arcadia

With our limited time, the focus has been on deepening our understanding of the work our grantees are doing, rather than learning more widely. We have also connected with funders who are more knowledgeable to explore co-funding opportunities that way.

Treebeard Trust

Our trustees enrich GGF's understanding of the causes and solutions of climate change. Our greatest teachers, however, are the environmental movements GGF funds, and our global advisory network who recommends and accompanies our grantee partners.

Global Greengrants Fund UK (GGF UK)

¹¹ https://www.acf.org.uk/acf/Connect_collaborate/Special-interest-groups/ACF/Connect_collaborate/Special-interest-groups.aspx?hkey=3920f369-7066-4d66-a9e9-a15b5aa8925e

We have arranged for grant partners who work on climate change solutions, including Involve and Climate Outreach, to present at meetings with our staff and trustees. We have published a climate action learning hub on our website that acts as a central repository of key climate-related learnings from the work of our partners.

Calouste Gulbenkian Foundation

Internal weekly 'book club' to discuss various blogs, podcasts and news articles relating to our field of animal feed and fertiliser, to keep up momentum and spark debate and better understanding of issues within the team.

Co-op Foundation

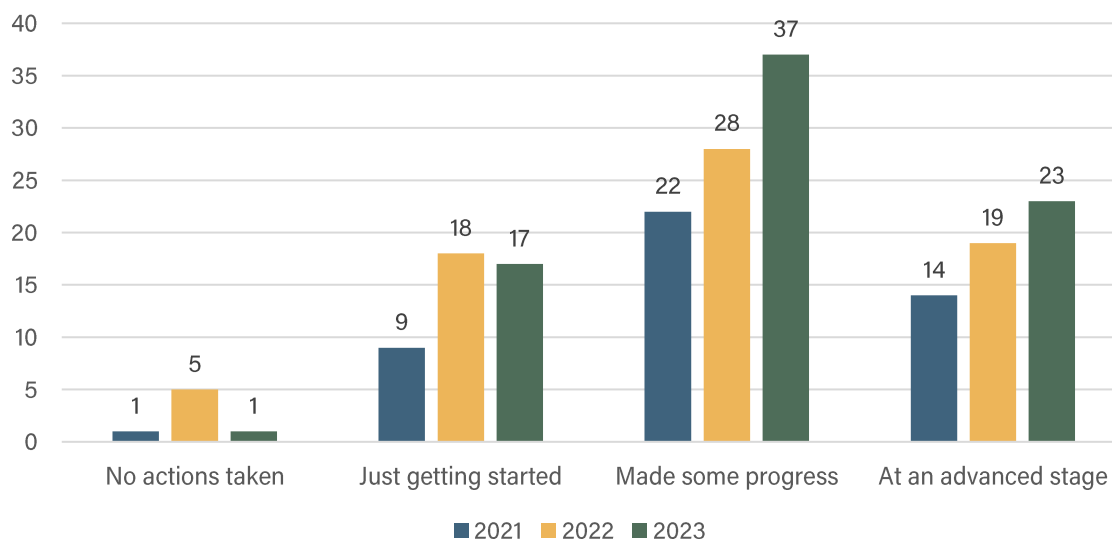
Designated lead trustee on climate change:

- a. circulates training opportunities e.g. webinars, courses through the likes of ACF, EFN and organisations we fund.
- b. provides trustees with monthly updates on environment and climate change articles in the press including links to original articles.
- c. is active in EFN's Climate Funders Group/Slack Connect and feeds back to trustees pertinent information.

Brian Mercer Trust

COMMIT RESOURCES

We will commit resources to accelerate work that addresses the causes and impacts of climate change. (If our governing document or other factors make it difficult to directly fund such work, we will find other ways to contribute, or consider how such barriers might be overcome).



Self-reporting is positive on the second pillar 'commit resources', with fewer signatories than previous years reporting that they are taking no action, and most signatories saying they are making some progress. This pillar received the highest number of response 'at an advanced stage' across all pillars.

A small group of FCCC signatories dedicate the majority – if not all – of their grant-making to fund climate work to deliver their missions, including JAC Trust, Kreitman Foundation, Dixon Foundation, Polden-Puckham Charitable Foundation and the Climate Change Collaboration, a partnership of The JJ Charitable Trust, The Mark Leonard Trust and The Aurora Trust.¹²

Other signatories have started to fund climate-related activity more recently, having considered the impact and relevance of climate change to their charitable missions. Some signatory organisations have created new, standalone programmes which fund climate-related projects. Others have integrated climate considerations into existing programmes, rather than directly funding climate-related work. A number of signatories have provided funding for infrastructure improvements and building

¹² <https://climatechangeorganization.org.uk/>

refurbishment for grantees, to make buildings more energy efficient and reduce their environmental impact.

Wording around the pillar is flexible, allowing for 'resource' to cover contributions of staff time as capacity as well as financial resource. Signatories have committed staff time and capacity for learning, networking, writing internal policies and collaboration with other funders. Examples include undertaking carbon audits (measuring and recording the carbon emissions of an organisation) and writing climate action plans. Two signatories do not make grants, committing resources in the form of expertise, guidance and joint working with partners (Southwood Foundation) and resources internally to accelerate the organisation's own environmental practice (Carnegie UK). Two signatories (Jerwood Arts and Esmée Fairbairn Foundation) also mentioned using a Funder Plus model, which provides support alongside funding for grantees, designed to build capacity and achieve greater impact.

Collaborative funding opportunities around climate action or research have been supported by signatories, both nationally and internationally, such as the Environmental Finance and Learning Fund, an initiative launched by Esmée Fairbairn with the Environmental Funders Network (EFN) to help unlock significant new funding for nature recovery. John Ellerman Foundation and BBC Children in Need have contributed to funding the NPC's Everyone's Environment project,¹³ funding 12 months of core costs and the youth strand of the work respectively. Signatories have also shared emerging opportunities to collaborate through ACF's [Funders Collaborative Hub](#) – a free resource for funders to support them to connect and collaborate on the topics that matter to them.

Examples of activity

While we cannot directly support environmental work, we have been encouraging our partners and stakeholders to rethink how they commit their resources... we are looking to strengthen it in the coming year as part of our Funder Plus vision of providing a selection of support measures to artists and organisations and help them move towards long-lasting environmental responsibility.

Jerwood Arts

¹³ <https://www.thinknpc.org/examples-of-our-work/initiatives-were-working-on/everyones-environment-programme/>

We wish to embed climate actions within our fund, support and influencing objectives, but until we have achieved this we continue to ear-mark resources within the Programmes budget.

This year we have launched a new 'Green Grants' programme targeted at non-environmental charities, that commits an additional £100k in funding for environmental activity.

Oglesby Charitable Trust

In 2022 our dedicated Sustainability Fund awarded nearly £2m to 49 organisations across the UK to help them reduce the environmental impact of their buildings and improve financial sustainability by reducing ongoing costs.

Wolfson Foundation

We continue to commit staff resources to shareholder activism, supporting coalitions and networks such as the Charity Responsible Investment Network.

Barrow Cadbury Trust

Bridge House Estates opened a new environmental capital funding strand (where) organisations can apply for funds to make capital improvements to buildings recommended in an Eco-audit. In total, between 1/3/22 and 28/2/23, BHE awarded 41 environmental grants ... (including) 24 Eco Audits.

Bridge House Estates

Reducing carbon emissions and improving biodiversity are now essential criteria for every grant we make.

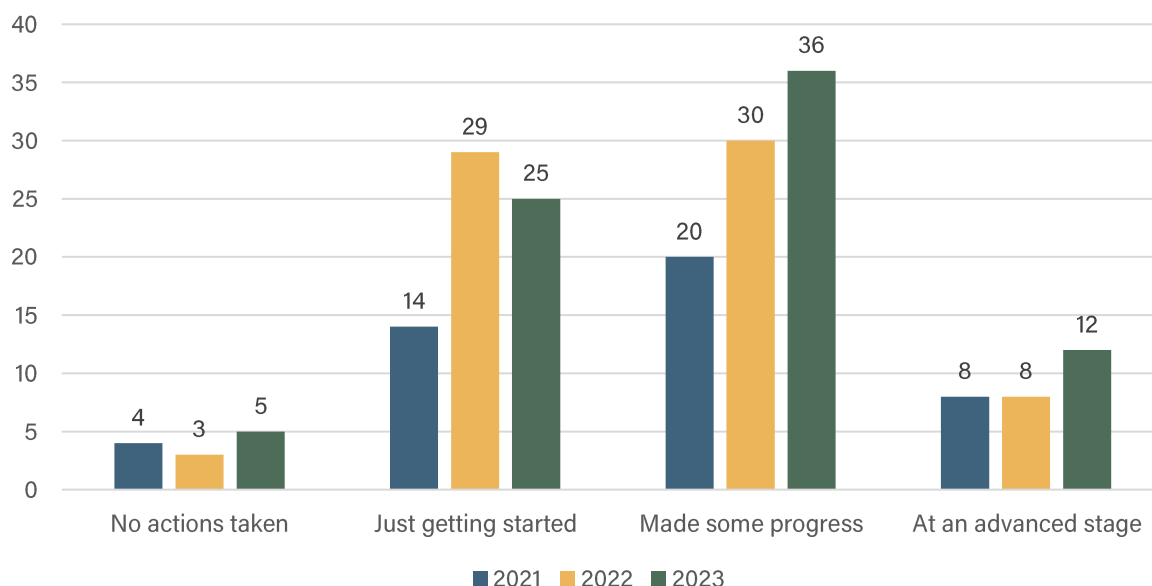
Veolia Environmental Trust

Over the past year, grants have included funding towards energy efficient lighting, an air source heat pump, solar PV panels and a kitchen upgrade project which focused on minimising the environmental impact of the refurbishment.

Cloudesley

INTEGRATE

Within all our existing programmes, priorities and processes, we will seek opportunities to contribute to a fair and lasting transition to a post carbon society, and to support adaptation to climate change impacts.



The picture is more mixed for the third pillar of 'integrate'. It has the largest result for 'just getting started' across all pillars. Progress has still increased overall year on year, however not as many signatories self-reported as 'making some progress' in comparison to the other pillars.

In terms of internal processes, signatories have continued to integrate climate considerations – including climate justice¹⁴ – into organisational strategies, for example as pillars in strategies or climate action plans covering all areas of an organisation. Foundations have also used external frameworks to map work against climate-related outcomes.

For existing grants, signatories have recognised actions which have climate-related outcomes as secondary outcomes, such as measures to reduce food waste and redistributing surplus food. Others have been raising awareness of climate change with grantees and supporting them to engage with the issue.

Some signatory foundations have integrated climate considerations into the grant application process for grantees, including asking about environmental policies of

¹⁴ Recognising that climate change impacts on those who contribute to the issue the least, and that climate change is interlinked with other inequalities, such as structural racism.

organisations applying for funding, or asking what considerations have been made of the environmental impact of a proposed project.

Examples of activity

We now have a climate action plan that spans all areas of our organisation and the climate is a key strand in our new strategy for 2022-25. The committees that advise us and govern our work are fully engaged with climate change and nature recovery, and we are making good progress at integrating new changes and ideas.

Quartet Community Foundation

We have taken the opportunity of a new strategy to rewrite our programme management documentation, which now includes a number of different prompts for individuals and teams to consider their environmental impact at each stage of programme design, delivery and reporting.

Carnegie UK

By underpinning with new funding more conversations about climate change, we might expect to see more proposals from a wider range of organisations focused on this work; thereby integrating it within a more diverse range of goals.

Oglesby Charitable Trust

We reviewed and updated our procurement policies, Grants Handbook and KPIs to integrate our climate action commitment across the organisation.

Power to Change

We ask grantees to share with us their sustainability policy if they have one and encourage them to periodically review the environmental impact of their activities and to use findings to take active steps to minimize their carbon footprint.

Arcadia

We are incorporating environmental sustainability into our assessment process for grantees.

MK Community Foundation

We have supported various projects which aim to help people experiencing poverty and/or trauma to meet their basic needs, whilst also promoting environmental sustainability. These include clothing and school uniform exchanges, and tool and toy libraries.

Robertson Trust

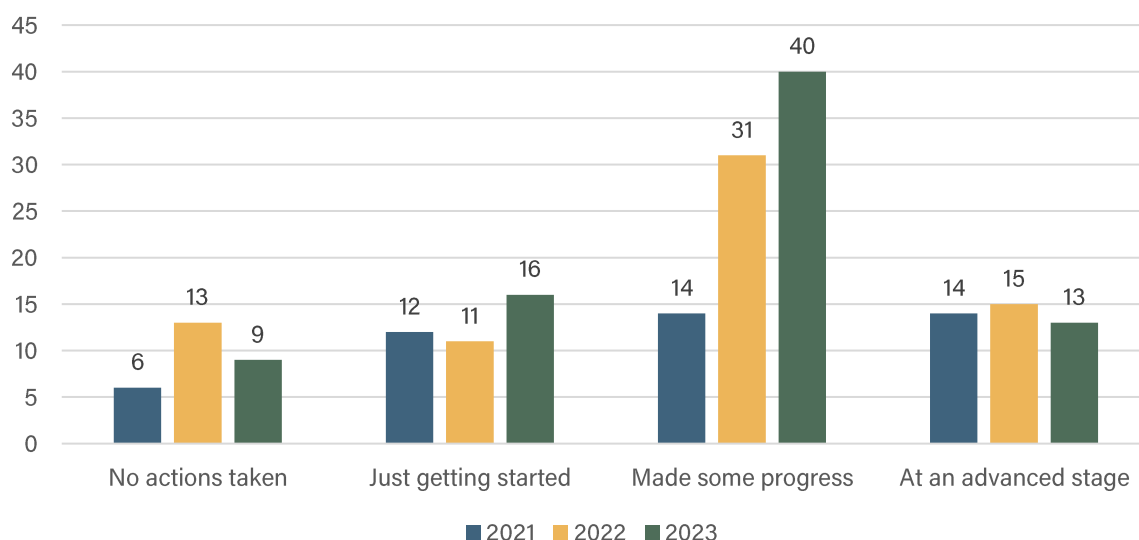
We have started tagging all our grants to the UN Sustainable Development Goals¹⁵ to allow analysis and information for further work.

Essex Community Foundation

¹⁵ <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

STEWARD OUR INVESTMENTS FOR A POST CARBON FUTURE

We will recognise climate change as a high-level risk to our investments, and therefore to our mission. We will proactively address the risks and opportunities of a transition to a post carbon economy in our investment strategy and its implementation, recognising that our decisions can contribute to this transition being achieved.



For the fourth pillar, 'steward our investments for a post carbon future,' the number of signatories self-reporting being at an advanced stage of progress decreased this year – the only pillar where this occurs. Although it has not been the same group of foundations responding each year due to new signatories and some missing responses, there are seven signatories which reported being 'at an advanced stage' in 2022 who then reported that they had 'made some progress' in 2023. These foundations may be addressing new issues, leading them to perceive their progress as less significant than they initially believed, or feeling that their rate of progress has slowed down over the past year.

More signatories are also 'just getting started' in comparison to last year's figures, reflecting the increase in signatories reporting for the first time, and the slower pace of progress in this area in general.

However, there are many signatories reporting making some progress on investments, and more reporting progress overall than no action or just getting started. It should also be noted that six of the nine responses to 'no actions taken' are from signatories which do not hold investment portfolios. Future progress surveys

could consider asking signatories whether they have considered the climate impact of their deposit accounts if they do not have investment portfolios.

2022 saw a judgement in the *Butler-Sloss v The Charity Commission* case, bought by two FCCC signatories – the Aurora Trust (formerly the Ashden Trust) and the Mark Leonard Trust.¹⁶ Their trustees wanted to adopt investment policies which aligned their portfolios with the Paris Agreement,¹⁷ and received confirmation that this is permissible as charity trustees can take into account “non-financial considerations” when exercising their powers of investment. Updated guidance on charities and investment matters from the Charity Commission is expected in summer 2023.

There were a variety of actions taken under this pillar, clustered around board instructions to investment managers, development of investment policies or principles and approaches to stewarding investments.

Signatories reported requiring investment managers and advisors to report regularly on ESG (Environmental, Social and Governance) considerations to Finance and Investment Committee meetings, or full board meetings, ensuring regular updates and monitoring were received. Some signatories included a clear focus on ESG principles when re-tendering for investment managers, and others clarified their requirements with existing managers, such as ensuring investment funds are aligned with the Paris Agreement on climate change.

Signatories also developed new investment policies or statements of investment principles which recognised the threat of climate change, or included their organisation’s status as a signatory to the FCCC. Two signatory organisations have set targets for their investment portfolio to align to net zero by 2040, ahead of the UK Government’s net zero target of 2050.

In terms of actions, some signatories reported divesting from fossil fuels, while others took an active shareholder engagement approach, instructing their investment managers to engage and vote to encourage companies to change their behaviour and to improve performance against climate metrics. Some signatories have started with engagement with companies which do not have climate strategies consistent with the Paris Agreement, with divestment following if the foundation does not believe that there is the willingness or capacity for change.

A small number of signatories reported direct investment into climate and environment related organisations through impact investing, for example investing in

¹⁶ <https://www.bailii.org/ew/cases/EWHC/Ch/2022/974.html>

¹⁷ <https://unfccc.int/process-and-meetings/the-paris-agreement>

a pilot of the use of nature-based flood management solutions in the Wyre Catchment.

A number of networks focused on investment were mentioned under this pillar, and there is engagement by signatories with ACF's SIIG¹⁸, the Charities Responsible Investment Network (CRIN)¹⁹ hosted by ShareAction²⁰ in the UK and the European Foundation Financial and Investment Officers Group (EFFIO)²¹ at a European level. Others also mentioned learning events hosted by investment managers.

Examples of activity

Our investment managers now report on sustainability issues at all Finance and Endowment Committee meetings which they attend, and twice a year prepare an updated analysis of the carbon footprint of the portfolio. In 2022, we updated our investment policy to include ESG criteria about not investing in companies that needlessly emit excessive quantities of carbon into the atmosphere.

Cloudesley

We have to date made a total of 10 direct investments into climate and environment related organisations - the majority of these are equity investments. Most recently, we invested in the Wyre Catchment Natural Flood Management Project Community Interest Company which will deliver more than 1,000 targeted measures to store, slow and intercept flood water and prevent peak flow in a catchment in England.

Treebeard Trust

¹⁸ https://www.acf.org.uk/acf/Connect_collaborate/Special-interest-groups/ACF/Connect_collaborate/Special-interest-groups.aspx?hkey=3920f369-7066-4d66-a9e9-a15b5aa8925e

¹⁹ <https://shareaction.org/investor-networks/charities-responsible-investment-network>

²⁰ <https://shareaction.org/>

²¹ <https://philea.eu/how-we-can-help/peer-learning/communities-of-practice/european-foundation-financial-and-investment-officers-group-effio/>

In January 2023, our trustees approved a change to our Investment Committee terms of reference to clearly mandate them to take account of ESG considerations in their decisions and to monitor and score managers on their ESG credentials so that we can track our improvement over time. This is in line with us being signatories to the UN Principles for Responsible Investment (UNPRI)²². We continue to support and actively engage with ShareAction and through our membership of EFFIO and CRIN. We continue to invest with thoughtful and responsible managers who reflect this position.

Paul Hamlyn Foundation

Last year we reported that we had added to our investment policy a specific exclusion of direct investments in fossil fuel extractors, and now we are looking at enhancing this policy, recognising that there is a complex and nuanced debate around this subject. Responsible and thoughtful investment continues to underpin our investment strategy. We are in very regular contact with our investment managers who manage all of our investments, and receive regular updates on their strategy on sustainable investment. We make it clear to them that this is a primary factor in judging their performance.

Wolfson Foundation

Investments are aligned with our investment manager's Climate Active Approach, investing in companies that will be resilient to the physical impacts of climate change and those which have the potential to implement a net-zero pathway. Where possible we will engage with companies which do not have climate strategies consistent with the Paris Agreement, but will divest if we do not believe that there is the willingness or capacity for change. In practice this means that we do not currently hold any investments in oil and gas companies.

Barrow Cadbury Trust

We have joined the Charities Responsible Investment Network and will continue to learn as much as we can about best practice in responsible investing.

Quartet Community Foundation

²² <https://www.unpri.org/> - six principles for responsible investment which offer a menu of possible actions for incorporating ESG issues into investment practice.

In 2022/23, Bridge House Estates (BHE) developed a new Investment Strategy Statement for the charity...Investments have the potential to contribute to climate change and the risks which it presents to the bridges, which the charity exists to maintain in perpetuity. The BHE Board also noted that in order to maintain and support the bridges for public benefit in perpetuity, the environment in which the bridges are situated needs to be preserved and access to the bridges needs to be maintained, and that the same potential for conflict applied when considering BHE's charitable funding activity.²³

Bridge House Estates (City Bridge Trust)

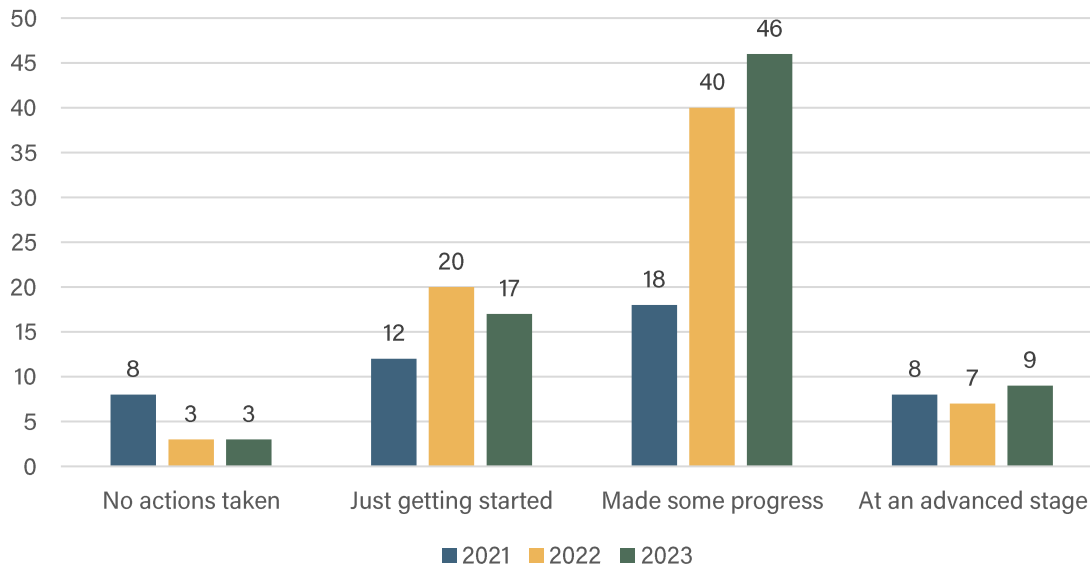
As funders, we have a duty of care in how our capital is invested. We recognise that our investments play a significant role in achieving our charitable aims and realising a post-carbon future. While we are committed to the Foundation's future and to creating sustained income for our grantees, we value a diversity of returns above exponential financial growth.

The A Team Foundation

²³ BHE's activities are described on the Charity Commission's website as "The maintenance and support of London Bridge, Southwark Bridge, Blackfriars Bridge, Tower Bridge and Millennium Bridge. Surplus income is used for charitable funding purposes benefiting the inhabitants of Greater London in such ways as the Trustee thinks fit." <https://register-of-charities.charitycommission.gov.uk/charity-search/-/charity-details/1035628/charity-overview>

DECARBONISE OUR OPERATIONS

We will take ambitious action to minimise the carbon footprint of our own operations.



There are high levels of reported progress by signatories around action to 'decarbonise our operations.' This pillar has the lowest number of signatories reporting their progress as 'as an advanced stage' across the pillars, however there has been an overall increase in progress compared to 2022.

The effects of the change in working patterns and requirements from the pandemic remain reflected in signatories' action around decarbonising operations. Hybrid working continues to be supported by many signatories, reducing emissions from travel and use of energy within an office. Signatories also report staff travel policies which encourage active travel and using public transport, introducing Cycle to Work schemes and avoiding flights where possible.

Holding meetings and events online has continued since the pandemic, with signatories citing a reduction in the need to travel and a move to hybrid working patterns. Many report being more mindful of travelling for meetings, and providing options for people to join a meeting or event both online and in person. Signatories have continued to report a reduction in printing, both of reports and regular paperwork such as board papers and annual reports.

In tandem with hybrid working, a number of signatories have moved to smaller office spaces and taken into account the energy efficiency of any new office location. Where

corporate foundation signatories have offices provided by their corporate parent, they benefit from net zero pledges and actions that have been taken at a corporate level, that may not have been possible independently.

Actions under this pillar have been taken around culture change in an organisation, for example an expectation to reduce paper usage, providing vegetarian and vegan catering for events or reducing meat and dairy provided at events, providing reusable cups and bottles for staff and integrating climate commitments into induction plans for new staff.

Five signatories reported undertaking carbon audits of their operations, with a further two reporting environmental or eco audits. External audits allow signatories to set their baseline position, set targets and identify the actions that are needed to reach the targets.

A range of target dates for reaching net zero were stated by signatories, ranging from ambitious targets of 2030 to dates in line with government targets of 2050. After an external carbon audit, Foundation Scotland decided to pursue offsetting carbon emissions through the purchase of carbon credits in Scotland and abroad (see example below).

Examples of activity

As Scotland's Community Foundation, we felt that it was very important to ensure that some of our decarbonising activities would be taking place on our doorstep and that it would also benefit the organisations that we fund through charitable activities. We worked with an organisation based in the North of England, Forest Carbon to purchase offsetting credits both in Scotland and abroad.

Domestically, we have decided to invest in a project that is taking place in the Scottish Borders and this organisation has been one of our historic grantees. This project will be planting new Woodlands in the lowlands of the Scottish Borders and will act as a future investment in offsetting our carbon emissions with the Foundation.

In order to ensure that we are also offsetting in real time, Foundation Scotland has also invested in an international project in South America and this will ensure that we are actively reducing our carbon emissions in the present.

On a smaller scale, but one which is quite tangible for us, our large all staff event which takes place once a year is now catered as a meat free event to reduce the carbon emissions associated with the event. We also have plans to develop guidance for colleagues on how to easily reduce carbon emissions for any events or meetings they might be running.

BBC Children in Need

We have embedded carbon tracking within the Travel section of our Expenses form, allowing us to establish the baseline, track it over time and encourage modal shifts.

The Robertson Trust

We appointed a new Office & Facilities Manager who is now a member of our Climate Implementation Group. He and his team have made some minor climate-specific improvements, including looking at sustainability in some areas of our supply chain, and working with a local partner to establish garden space nearby

Guy's & St Thomas' Foundation

We continue to hold some committee and working group meetings online, with other meetings offered on a hybrid basis. Paper copies of reports for Board, committee and working group meetings are no longer produced. Our annual review is now produced as an online-only document.

Cloudesley

We have now moved to a smaller, greener office. Well-insulated and powered by green energy. Very good public and active transport links to this office.

Corra Foundation

We undertook a full environmental audit of our operation and building. We came out of the audit with a long list of small and big changes we can make to reduce our carbon footprint and have a positive environmental impact. Some of these changes are easier to make than others... But this year we made some important changes like switching to green energy, changing our procurement approach and working with suppliers to understand their supply chains.

Quartet Community Foundation

We are lucky to have our office accommodation provided by Veolia UK, a worldwide leader in ecological transformation. Veolia has committed to reach net zero across all its operations by 2050, so we benefit from excellent environmental opportunities that we could not achieve to the same standard independently.

Veolia Environmental Trust

Our transition during office relocation considered risks and opportunities for carbon reduction by taking a shared office space approach and stronger hybrid working approach, thus reducing our own footprint.

Foundation for Future London

FURTHER SUPPORT

The progress survey also asked signatories what additional support would help them to move forward in each pillar of the FCCC, and how ACF could support signatories.

CONTINUING CONNECTIONS

Signatories continue to value the opportunities provided by ACF for networking and connection with other FCCC signatories working on climate related issues. A number of signatories mentioned that updates on the progress of others (over and above the annual report) would be helpful for learning.

Connections with other signatories sharing similar characteristics, such as foundations who do not directly focus on climate change or the environment, is mentioned as an area where ACF could further support signatories.

SHARING GOOD PRACTICE

A clear desire for sharing information and good practice came through from responses across the pillars, including suggestions for case study examples, sharing the learning and actions from other signatories, and providing or signposting to networking opportunities.

Specific requests came through to provide examples of progress achieved by 'smaller' (both in terms of grant-giving size and staff size/capacity) foundations, and for any relevant resources. This was also highlighted as being helpful for foundations who do not explicitly fund climate or environmental programmes. One response stated that there are many existing resources already, and to be careful not to duplicate, and ACF remains mindful of the range of resources available to foundations.

A small number of responses referred to the opportunities for foundations to have a collective voice around tackling climate change, and addressing the wider, structural impediments and inequalities that hamper effective climate action.

Through the international wider #ClimateForPhilanthropy network, a number of case study collections have been published over 2023, featuring a number of FCCC signatories alongside international examples. These include:

- [Spotlight on Climate Funding Strategies by Active Philanthropy](#)
- [#PhilanthropyForClimate Case Studies by WINGS](#)

EXPECTATIONS OF GRANT APPLICANTS AND GRANTEES

Responses to this year's progress survey have shown that a number of signatories are considering how to integrate environmental considerations into application assessment processes for potential grantees. This has been suggested as an area where support is needed, to integrate environmental considerations without placing undue demands on applicants or existing grantees, striking a balance between being an accessible yet responsible funder. One funder mentioned wanting to include questions that were 'more than a tick box exercise' in terms of environmental impact.

Foundation Scotland has created a web resource for applicants on how they can design their project to deliver for people and the planet (see page 10), and Co-op Foundation have added in a new due diligence feature for their Future Communities Fund which asks organisations to explain (if possible/ applicable) how environmental issues feature in how the organisation operates and how services are delivered, which could include changes made to reduce emissions, travel arrangements, energy sources and similar.

Some funders are already supporting existing grantees to consider and reduce their climate impact through training and learning opportunities:

- "We have worked with local charity Climate Ed to deliver climate change workshops to our beneficiaries. We also held a sharing event in December to share information on successful climate change projects with our grantees."
Sir Walter St John's Educational Charity.
- "[We have] Approved a pilot to support our grantees in becoming more climate literate and providing consultancy opportunities to develop their plans - to be put in place Autumn 2023." **Wates Foundation.**

Another signatory sought examples of funders who have added a percentage of funding onto existing grants, to help grantees to make their work greener in appropriate ways for them.

With a range of resources available aimed at helping charities and civil society organisations reduce emissions and consider their climate impact, there is a role for ACF to highlight and signpost to these resources for signatories. Some examples include:

- [Going Green Together](#), hosted by Voluntary Organisations Network North East (VONNE)
- [Growing Climate Confidence](#), hosted by Scottish Council for Voluntary Organisations (SCVO) and adapted from Going Green Together.

APPENDIX A – SURVEY METHODOLOGY AND RESPONDENTS

The FCCC is a public statement of intent and commits signatories to report annually on progress. To assist signatories in fulfilling this commitment, ACF runs an annual self-assessment survey of progress and actions taken under each pillar of the FCCC.

The FCCC self-assessment survey of progress was circulated to all signatories on February 21 2023, and was open until April 2023, using Survey Monkey.

78 responses were provided from signatories during this period. One additional respondent requested to submit the same responses as last year.

At the time of the survey opening, there were **100 signatories** to the FCCC, of which 96 were eligible to report on their progress. The commitment states that signatories should report on progress annually, and as four of the 100 signatories had only signed up within the six months prior to the survey, they will be reporting on progress for the first time next year.²⁴ This year's survey captured the progress of **18 additional signatories** in comparison to 2022's report.²⁵ There are **three foundations** who signed the FCCC in 2019/2020 but have so far not submitted any progress report.

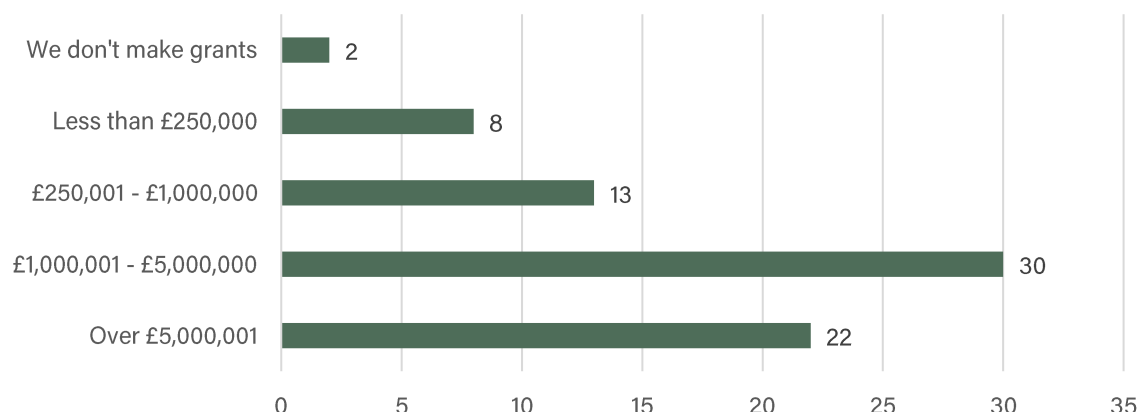
As well as their progress on the pillars of the FCCC, data was collected on the size, type and funding area of the survey respondents.

²⁴ These signatories are Andrews Charitable Trust, the Joffe Charitable Trust CIO, Energy Saving Trust Foundation and People's Health Trust.

²⁵ The additional signatories reporting this year are: The A Team Foundation, Barnwood Trust, BBC Children in Need, Bedfordshire & Luton Community Foundation, Community Foundation Tyne & Wear and Northumberland, Co-op Foundation, Cripplegate Foundation, Essex Community Foundation, Forces in Mind Trust, Foundation for Future London, Greenwood Place, Inspiring Scotland, Inverclyde Community Fund SCIO, Nottinghamshire Community Foundation, The Bishop Radford Trust, The Saintbury Trust, UnLtd (The Foundation for Social Entrepreneurs), Youth Music.

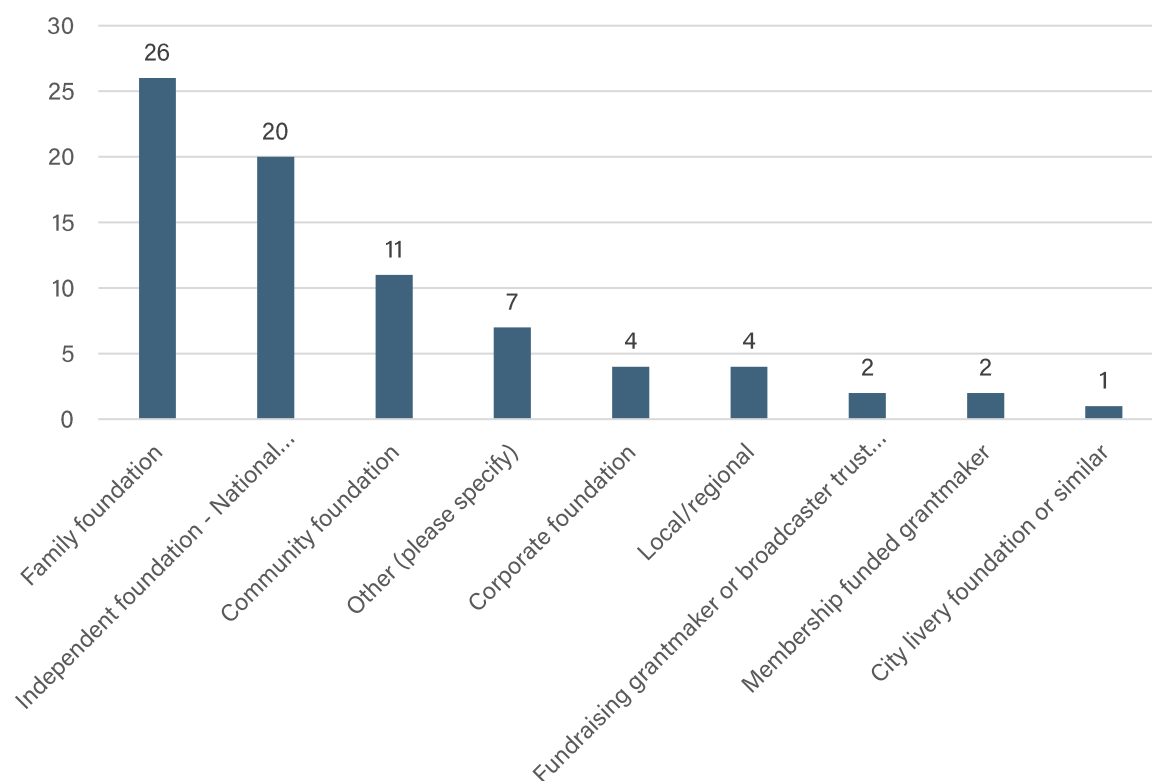
SIZE OF RESPONDING SIGNATORIES

Number of responding signatories by size (of annual grant-making)



More of this year's survey respondents have an annual grant expenditure of over £1m (52, 67% of respondents) in comparison to the previous year, where 37 respondents (54%) were of this size. This reflects the fact that most of the new signatories reporting this year have annual grant expenditures of over £1m. 21 responding signatories have an annual grant expenditure of under £1m (30%), and two responding signatories do not make grants. However, the range of size by annual grant-making demonstrates that all funders, regardless of size, can take action on climate.

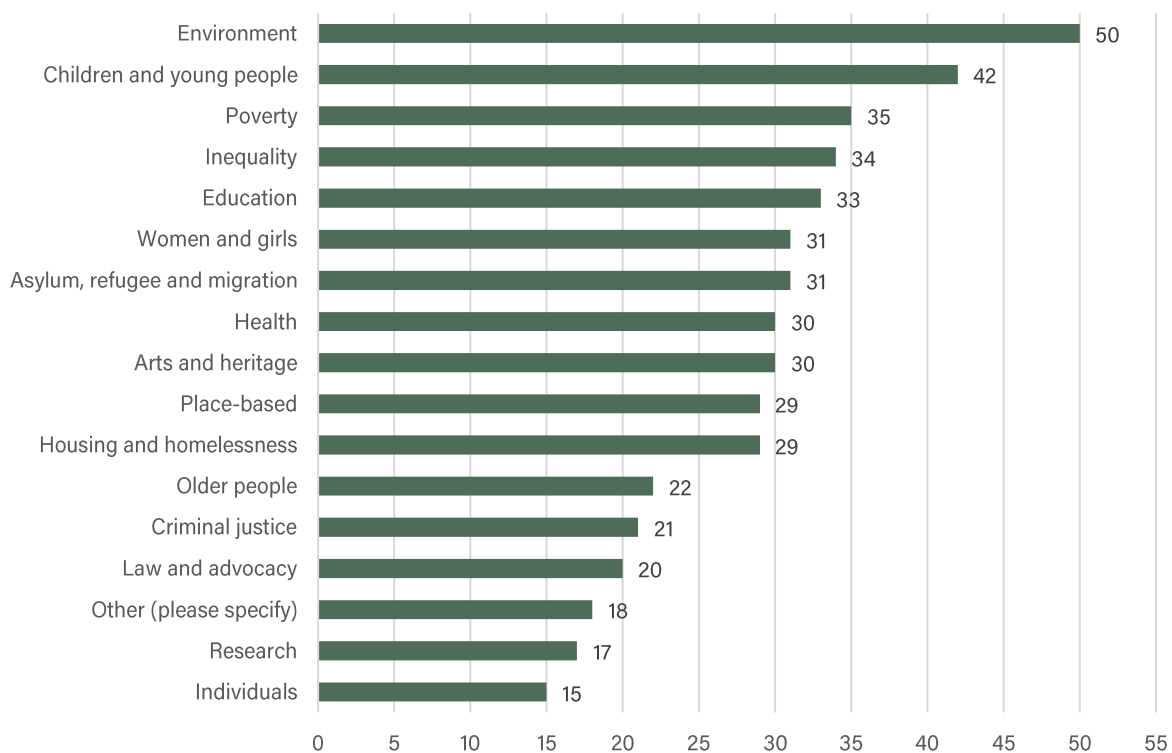
TYPE OF RESPONDING SIGNATORY FOUNDATION



As in the previous year, over half of the signatories who responded to the progress survey were family foundations and independent foundations (33% and 26% respectively). This year’s survey saw an increase in responses from community foundations, which reflects the four additional community foundations signing the FCCC in 2022.

Those who responded ‘other’ were an organisation which manages eight foundations as a shared executive team, a Scottish Charitable Incorporated Organisation (SCIO) which raises funds to be distributed in a local area, a social investment foundation, a distributor of Landfill Communities Fund monies, an Intermediary grant-maker funding globally, a charity and an independent local/regional funder with a fundraising restricted fund.

FUNDING AREAS OF RESPONDING SIGNATORIES



The survey results demonstrated the wide range of funding areas supported by signatories to the FCCC. Signatories were able to select more than one funding area. In similar results to the 2022 survey, the most common funding area for signatories responding was the environment, followed by children and young people, poverty and inequality. However, only two of the signatories responded to the survey only selected

the environment as their funding area. This shows that most signatories are integrating a climate lens to a range of funding areas and charitable missions.

The range of 'other' funding categories mentioned included: substance use/drug deaths, disability, human rights, military veterans support, community sport, music, trauma, faith and heritage.

ABOUT THE SURVEY

The responses on signatories' self-assessment of progress on each pillar have been collated as bar charts and presented alongside the results for the previous two years. The number of responses received has increased year on year, reflecting the increase in signatories over the time FCCC has been established.

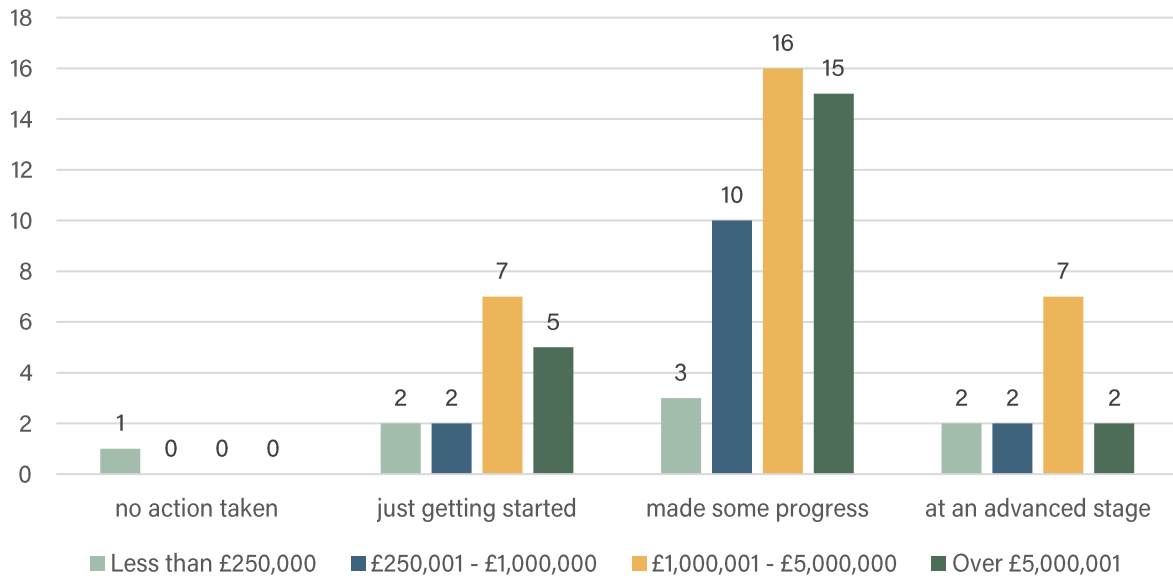
Examples which have been selected to demonstrate action under each pillar are intended to show the wide range of activity taken by signatories, with a focus on reflecting the diversity of size, type and mission of signatories. We hope they are interesting, useful and inspiring to other funders.

Some quotes have been taken from a longer survey response, which can be read in the raw data spreadsheet. Except for minor details such as capitalisation and punctuation, no response has been edited.

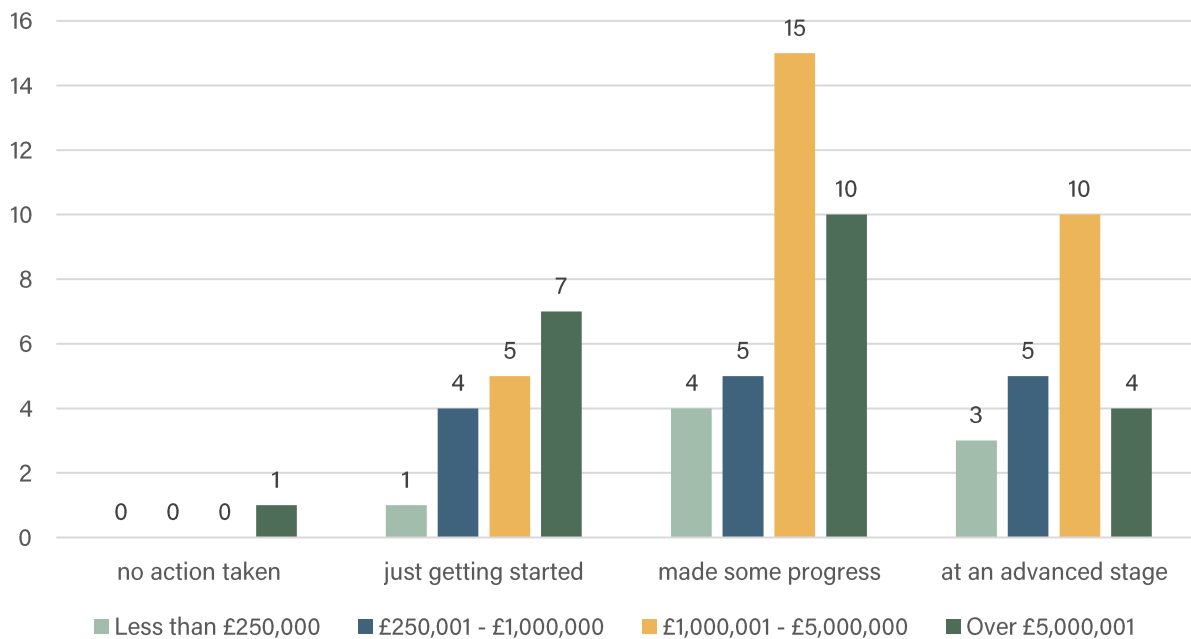
While all the information is provided by signatories themselves, these survey answers should not be relied upon as a full statement of foundation funding guidelines or organisational policies, and interested readers should refer to foundation websites for current information. FCCC relies on self-reporting, and ACF has not independently verified the actions that foundations have reported. Where signatories have provided links to websites, statements and annual reports for more detailed information, these links have been included in the raw data spreadsheet.

APPENDIX B – DETAILED RESULTS

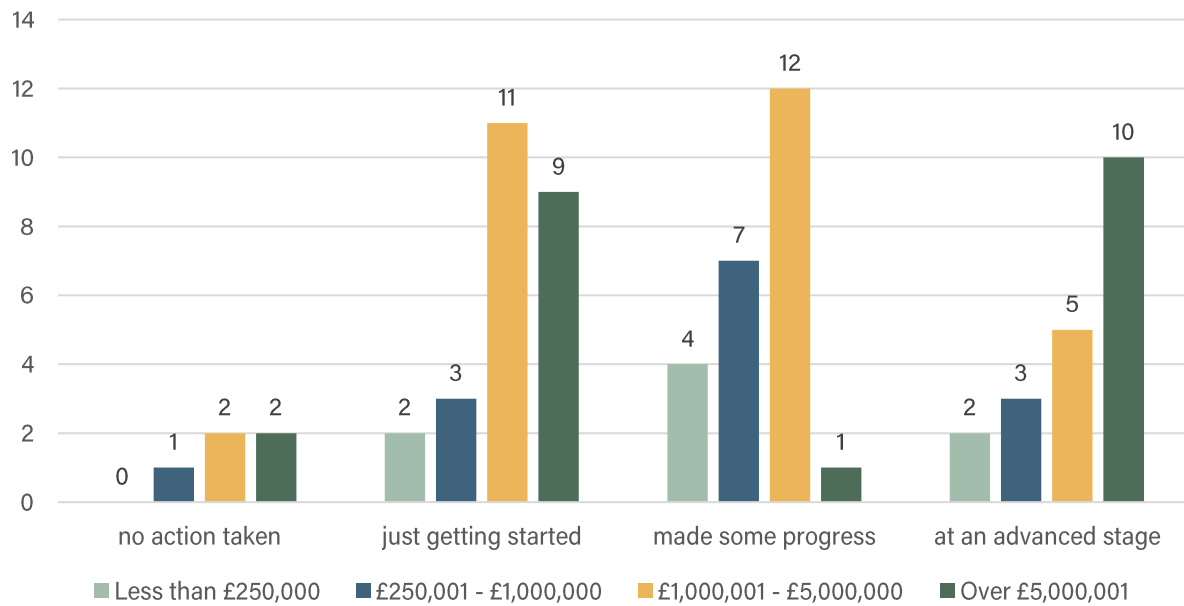
Educate and learn (number of funders, by size):



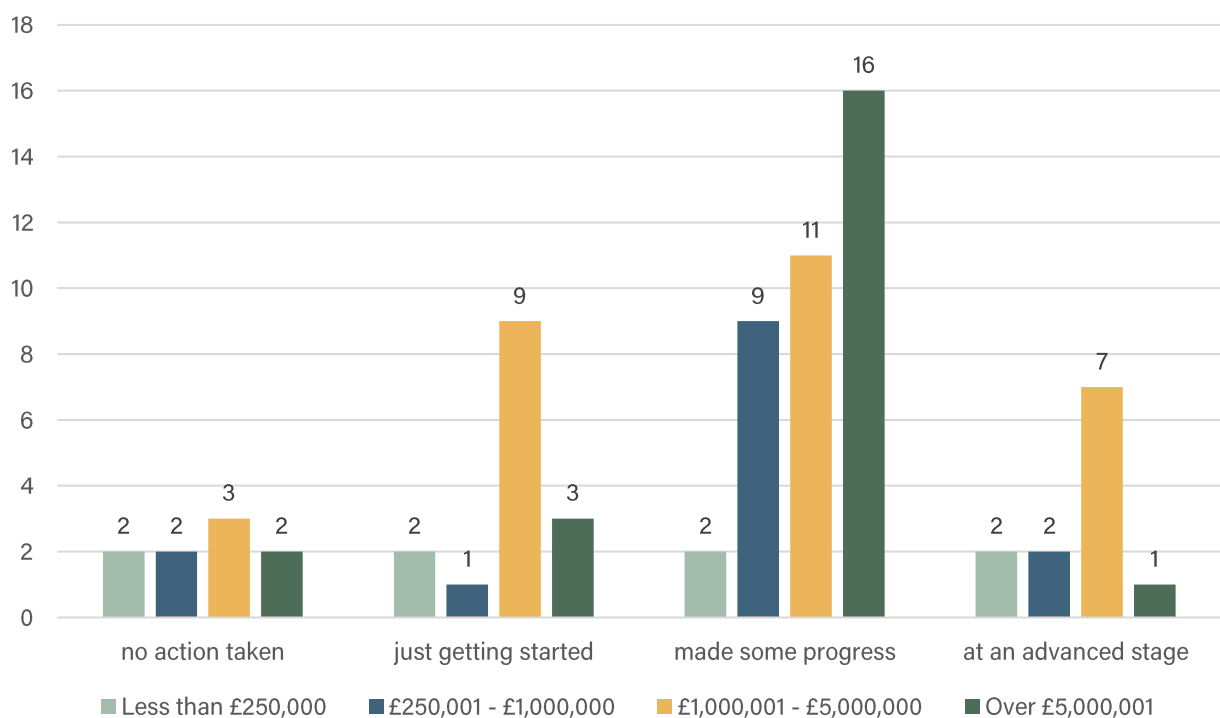
Commit resources (number of funders, by size):



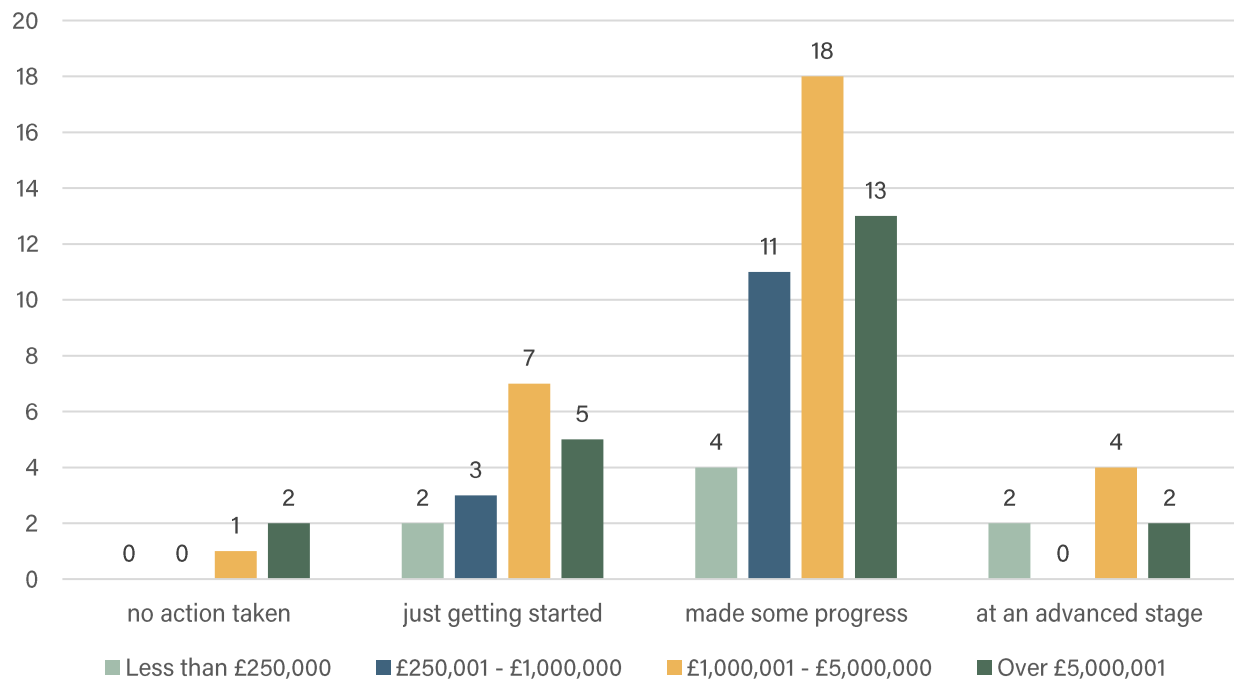
Integrate (number of funders, by size):



Steward our investments for a post-carbon future (number of funders, by size):



Decarbonise our operations (number of funders, by size):



APPENDIX C

SPECIFIC REPORTS PUBLISHED ABOUT SIGNATORIES' PROGRESS AGAINST THE FCCC PILLARS

BWCE Fund: <https://www.bwce.coop/bwce-fund-supports-the-funder-commitment-on-climate-change/>

Esmée Fairbairn Foundation: <https://esmeefairbairn.org.uk/latest-news/funder-commitment-climate-change-2022-update/>

John Ellerman Foundation: <https://ellerman.org.uk/uploads/Year-Three-FCoCC-Update.pdf>

MORE INFORMATION ON SIGNATORIES' ACTIONS AROUND THE ENVIRONMENT OR CLIMATE CHANGE

Arcadia: <https://www.arcadiafund.org.uk/articles/towards-a-greener-arcadia>

Bridge House Estates (City Bridge Trust):

<https://www.cityoflondon.gov.uk/assets/Services-Environment/taking-climate-action-our-progress-2022.pdf>

<https://app.powerbi.com/view?r=eyJrljoiOGVjNmNmYjltZWQwZS00ZDUyLTg3ZTctYWY2MGQ1YzQ4NTE3liwidCI6IjlmZTY1OGNkLWl3Y2QtNDA1Ni04NTE5LTMyMjMzMmE5NmJlOCJ9>

Carnegie UK: <https://www.carnegieuktrust.org.uk/blog-posts/how-were-putting-our-climate-commitments-into-practice/>

Community Foundation Tyne & Wear and Northumberland:

<https://www.communityfoundation.org.uk/climate-change/>

Foundation Scotland: <https://www.foundationscotland.org.uk/our-impact/our-commitment-to-climate-change>

Friends Provident Foundation: <https://www.friendsprovidentfoundation.org/about-us/climate-emergency-declaration/>

Guy's & St Thomas' Foundation: <https://gsttfoundation.org.uk/about-us/governance/climate-commitment/>

Samworth Foundation: <https://www.samworthfoundation.org.uk/our-aims/>

Sussex Community Foundation: www.sussexgiving.org.uk/wp-content/uploads/2021/12/SCF_Final-Rampion_Report_2022.pdf

Quartet Community Foundation: <https://quartetcf.org.uk/about-us/climate/>

World Habitat: <https://world-habitat.org/about-world-habitat/what-we-do/our-commitment-to-sustainability/climate-action-at-world-habitat/>

The report was written by Rachel Heydecker, ACF's senior policy and engagement officer, with thanks to Francesca de Munnich, Catherine Seymour, Carol Mack and Jo Hunt for their input and feedback. The report was designed by Inês Ribeiro, ACF's senior marketing and communications officer.

ACF's work on the Funder Commitment on Climate Change from July 2022 to the present has been supported by John Ellerman Foundation. For any enquiries, please email climate@acf.org.uk.

The full text of the Funder Commitment, current list of signatories, and form to sign up to the Commitment can all be found at fundercommitmentclimatechange.org.

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