
Trust Waikato – a funder’s response to climate change

Trust Waikato Chief Executive Dennis Turton outlines the global commitment Aotearoa New Zealand has made to climate change mitigation, and how this community trust is playing its part.

The United Nations Framework Convention on Climate Change was established in 1994 with the aim of preventing dangerous human interference with the climate system.

The ultimate objective of the Convention is to stabilise greenhouse gas concentrations “at a level that would prevent dangerous anthropogenic (human induced) interference with the climate system.” It states that “such a level should be achieved within a time-frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened, and to enable economic development to proceed in a sustainable manner.”

In 2015, the United Nations Climate Change Conference (COP21) was held in Paris, France, where world leaders negotiated the Paris Agreement.

The purpose of the Paris Agreement is to:

- keep the global average temperature well below 2° C above pre-industrial levels, while pursuing efforts to limit the temperature increase to 1.5° C
- strengthen the ability of countries to deal with the impacts of climate change
- ensure that financial flows support the development of low-carbon and climate-resilient economies.

“This new target brings Aotearoa New Zealand in line with the global ambition set under the Paris Agreement”

In October 2016, Aotearoa New Zealand ratified the agreement. This committed our country to reporting on its emissions and progress towards meeting its target, providing financial support to assist developing countries’ mitigation, adaptation efforts, and plans for adaptation.

Aotearoa New Zealand’s response to COP21

Aotearoa New Zealand’s target under the Paris Agreement is to reduce greenhouse gas emissions by 30% below gross emissions for the period 2021–2030. This target is equivalent to 11% below 1990 levels for that same period.

In 2019, the Climate Change Response (Zero Carbon) Amendment Act set into law a new domestic 2050 target:

- net zero emissions of all greenhouse gases other than biogenic methane by 2050
- 24 to 47% below 2017 biogenic methane emissions by 2050, including 10% below 2017 biogenic methane emissions by 2030.

This new target brings Aotearoa New Zealand in line with the global ambition

set under the Paris Agreement. It repeals our former domestic 2050 target to reduce greenhouse gas emissions to 50% below 1990 levels by 2050.

The Climate Change Response (Zero Carbon) Amendment Act established the Climate Change Commission – a Crown entity providing independent, evidence-based advice to government to help transition to a climate resilient and low emissions future.

The Climate Change Commission has produced its first report on a low emissions future for Aotearoa New Zealand, *Ināia tonu nei*.

The report covers:

- Aotearoa New Zealand’s first three emissions budgets covering the period until 2035
- advice to help form Aotearoa New Zealand’s first emissions reduction plan to show how the emissions budgets can be achieved
- advice on what potential reductions in biogenic methane might be needed in the future
- a review of Aotearoa New Zealand’s first ‘Nationally Determined Contribution’ under the Paris Agreement.

Carbon emissions

Community activism and stakeholder interests are demanding organisations respond to climate change. Reduction of carbon emissions is at the forefront of an organisation's response to climate change.

To assist with an organisation's understanding of its emissions, they can categorise them according to Scopes 1, 2 and 3 outlined in the Greenhouse Gas Protocol framework.

- Scope 1 emissions: direct emissions caused by the activities of an organisation or those under the control of an organisation.
- Scope 2 emissions: emissions generated in the production of energy that an organisation uses. While these emissions are produced by a third party, they are broadly the result of an organisation's consumption patterns.
- Scope 3 emissions: indirect emissions caused by the activities of the organisation. Such emissions occur from sources that the organisation does not own or directly control such as procurement, business travel, and waste and water management.

Trust Waikato's response

Trust Waikato has implemented a framework to assist in developing its climate change position and to better understand our pathway to a net zero emissions position. The Trust has looked internally before reaching out to the community.

The framework starts with a clear intention to act on climate change through a sustainability commitment. This commitment acknowledges that we must look to the past to look to the future. We seek to hear the voice of the community and undertake collaborative actions to reduce both our own and community emissions. Finally, we need to ensure that any transition to a low carbon world is a just transition, where all communities benefit.



—
Dennis Turton
Trust Waikato Chief Executive

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Further work is underway to develop net zero targets attributed to our organisational, investment, and grantmaking related emissions. Included in this work will be the Trust's investment intentions and commitments.

The Trust acknowledges that the framework is not complete and will be added to as more understanding and knowledge is gained.

Trust Waikato looks at carbon emissions by understanding emissions stemming from our operations, investment portfolio, and grantmaking activities.

Operational emissions

There are many certified organisations that can measure operational carbon footprints. Trust Waikato used EKOS to measure our operational carbon emissions. For FY20, EKOS calculated Trust Waikato emitted 32 tonnes of CO₂e. The FY21 emissions calculation will be completed by the end of October.

Investment portfolio

Understanding the emissions created from an investment portfolio is more difficult and requires collaboration with investment advisors and fund managers. Trust Waikato is in early-stage collaboration with our investment consultants, JANA. We will use the Institutional Investors Group on Climate Change Net Zero Investment Framework as a guide for the Trust's investment portfolio achieving net zero emissions.

Grantmaking

Trust Waikato and Bay Trust have undertaken a pilot project to understand the emissions attributable to our grantmaking programmes. We have engaged with Toitū Envirocare, using their Carbon Assess calculator. The pilot surveys 50 for-purpose organisations we grant to, using the Carbon Assess tool, which calculates their CO₂e emissions. Trust Waikato will attribute the CO₂e emissions equal to the grant value as a percentage of their total revenue (i.e. if an organisation receives a grant of \$10,000 from Trust Waikato and has total revenue of \$100,000 then 10% of that organisation's emissions can be attributed and accounted for by Trust Waikato). Trust Waikato can then aggregate the data to understand the emissions generated by our granting programme.

The pilot has generated great interest from those who participated. A collaborative approach to reducing emissions will be sought by Trust Waikato and reported back to the wider community.

Trust Waikato will look to adopt the Carbon Assess tool and ask grant applicants if they want to opt into the programme. The goal is to have a broad cross-section of organisations that collectively and collaboratively are interested in a sector emissions reduction programme.