

Annual Report

FY22



CENTRE FOR
Sustainable Finance
TOITŪ TAHUA



Ururangi



Waijuna-ā-rangi



Iwa-i-te-rangi



Matariki



Tupu-ā-rangi



Tupu-ā-nuku



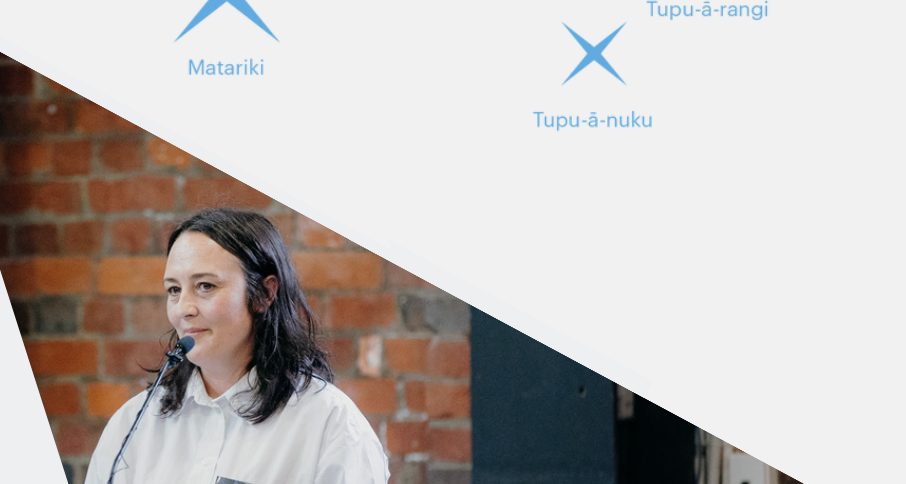
Waiti



Waitā



Pōhutukawa



Toitū Tahua

Toitū - sustainable, undisturbed, and permanent.

Tahua - encompasses the financial power and the collective of resources and thinking.

Toitū Tahua relates to the sustainability and protection of the environment, and acknowledges the importance of financial investment, new thinking and collective action required for a robust and resilient financial system and planet.

This name was gifted to the Centre for Sustainable Finance by Ngati Whatua Orakei in recognition of their longstanding relationship with Sir Rob Fenwick, founder of The Aotearoa Circle.



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Welcome

Our Annual Report marks the end of our first year as Toitu Tahua : Centre of Sustainable Finance.

The Sustainable Finance Roadmap that is our guiding document enumerates the many steps by which we can transform our financial system in Aotearoa New Zealand. It became the responsibility of the Centre in 2021 to embody its guiding principles, which keep us focused on change at the system level, and to coordinate implementation of its recommendations.

That change journey is now well under way. There is much to applaud, especially in the engagement of more than 80 people active in sustainable finance initiatives through the Centre over the past year. A truly impressive coalition of the willing. People stepping forward with projects and ideas – and enthusiastic about being involved.

This has been a genuine collaboration and a selfless commitment to moving the Aotearoa New Zealand waka forward. We are grateful to every one of them.

The details of this shared kaupapa are covered in the [2022 Sustainable Finance Progress Report](#) – a status update on our progress as a country.

However, the pace of change offshore is accelerating, and we cannot ignore the global realities.

Finance is a crucial enabler of our climate transition. We know that the vast majority of our capital comes from offshore sources, and we know that increasingly global capital is not indifferent to where those funds are being spent or invested.

The recent announcements by the Australian Treasurer on the development of a ‘Whole of Government’ sustainable finance strategy, the development of a comprehensive taxonomy and definitional tools, and sector transition plans means that Australia is taking bold steps to meet these global realities.

Now that this accelerated pace of change is underway in Australia, it is imperative that New Zealand financial markets authorities align our institutional arrangements with these developments, in order to ensure the continuity of our current global capital flows.

Looking ahead, we will work to enable the integration of sustainability within organisational decision making processes, to encourage the development of credible net zero transition plans, to support investment in climate, nature-based and social transitions and to promote effective stewardship and engagement.

With the ambition and support of our dedicated partners and collaborators, we will continue to drive our change agenda with determination in 2023.



Bridget Coates
Chairperson

Kia ora

It is our pleasure to present the first Annual Report for Toitu Tahua: Centre for Sustainable Finance (the Centre).

The purpose of the Centre is to accelerate progress toward a financial system that is more sustainable, equitable and inclusive for Aotearoa New Zealand.

2020 saw the publication of the Sustainable Finance Forum's 2030 Roadmap for Action, developed under the auspices of The Aotearoa Circle. In line with similar international initiatives, the Centre was established in 2021 by major financial institutions, Crown entities and strategic philanthropists to coordinate and accelerate implementation of the roadmap's recommendations.

Alongside the Centre's Inaugural Chair, Bridget Coates, the Guardians of the Aotearoa Circle, chaired by Vicky Robertson, and its Chief Executive, Vicki Watson, played a pivotal role not only in the development of the Roadmap, but also in the successful establishment of the Centre.

The Centre is now governed by an experienced, committed group of independent public, private, Māori/iwi and community leaders.

Systemic in nature, the Roadmap outlines the steps we all need to make collectively to transform our financial system. A key driver for the Roadmap is the need for Aotearoa New Zealand to retain its international economic proposition in the face of rapidly changing investor, customer and consumer expectations, and actions, on climate change.

Accordingly, during the establishment phase, the Centre's board convened an implementation network of more than 80 finance practitioners, who helped to prioritise immediate actions across four key Roadmap recommendations. These recommendations are in the areas of capability, governance, inclusion, standards and pathways.

I invite you to find out more about our collective progress toward a more sustainable financial system in the Centre's inaugural [Sustainable Finance Progress Report](#), which maps progress toward each Roadmap recommendation.

The Progress Report includes contributions from the Treasury, the Reserve Bank of New Zealand, Commerce Commission, External Reporting Board, Financial Markets Authority, Ministry of the Environment, Institute of Finance Professionals New Zealand Inc (INFINZ), Insurance Council New Zealand, Zealand Bankers' Association, NZX, New Zealand Green Investment Finance, Sustainable Business Council, Sustainable Business Network among others.

The Progress Report sets the broader context for this inaugural Annual Report, which outlines the key activities, and key financial reports, for the Centre from 1 July 2021 through 30 June 2022.

We are very pleased with the Centre's contribution to date. It is crucial, when working on system change, to recognise that as the system changes, so too does the role and reality of those actors within it. The Centre is no exception. An urgent, impermanent mindset is a necessary setting for an organisation with a 2030 Roadmap. This mindset underpins our approach to this work.

Nonetheless, there are tremendous challenges ahead and much still to be done; not least in collaborating to fund and finance the equitable transition to a low-emissions economy.

In the year ahead we look forward to continued collaboration between government, iwi and Māori and the financial sector across the many Roadmap recommendations.

Thank you for your contribution.



Jo Kelly
Chief Executive

Our purpose

Our vision is a financial system that is more sustainable, equitable and inclusive through the incorporation of environmental, social and economic considerations in financial decisions.

We are focused on accelerating implementation of the 2030 Roadmap for Action developed by the industry-led Sustainable Finance Forum. The roadmap outlines the steps we all need to make collectively to transform our financial system.

The roadmap recommendations were developed based on extensive international and domestic research on sustainable finance, by members of the SFF's Leadership Group, Technical Working Group and with input from over 200 individuals.

These recommendations are articulated as priorities and key enablers. They are grouped into three themes:

1. Changing Mindsets
2. Transforming Finance
3. Financing Transformation

Roadmap Recommendation

Establish and fund a (mandated) agile and independent Centre for Sustainable Finance to oversee and coordinate implementation of the recommendations.

Founding Partners agreed that primary functions of the Centre should be:

- Leadership and Coordination
- Oversight and Acceleration
- Education and Engagement
- Identifying and Removing Barriers
- Taxonomies and Standards
- Trans-Tasman and International Connections

We acknowledge and thank all those who have voluntarily provided their time, experience, advice and guidance to help shape both the Roadmap for Action and the Centre in its establishment year.



[Read the full Roadmap](#)

Our Principles

1

Leadership

Many of the SFF Roadmap Recommendations may have regulatory components but this should not hold back public and private sector leaders from making voluntary changes and challenging others to do the same.

4

Interconnectedness and timely action

The Roadmap priority areas and subsequent recommendations are interconnected. Although the Sustainable Finance Forum have identified four Higher Priority Actions, as has been shown internationally, action is necessary across all Priority Areas to drive the transformation (e.g. responsibility, governance).

2

System change

The Sustainable Finance Forum recommendations are targeted at a whole-of-system change. These recommendations do not simply rely on 'adding environmental and social' factors into existing legislation, norms and frameworks. When implementing these recommendations, key parties should start from first principles and reconsider the status-quo.

5

Learning from others

We are not starting from scratch. The international policy landscape for sustainable finance has largely been set. Many of the Sustainable Finance Forum recommendations have domestic or international precedents and we can learn from these examples.

3

From shareholder to stakeholder capitalism

Shareholders are critical to capitalism, without their risk capital, organisations could not operate. The Sustainable Finance Forum see a sustainable financial system as one where impacts (planet, people and profit) are afforded equal importance.

Governance

Chair



Bridget Coates
Independent Director

Trustees



Michele Embling
Chair, External Reporting Board



Fonteyn Moses-Te Kani
Director, Māori strategy & indigenous inclusion, Westpac NZ



David Woods
Deputy Chair, NZ Green Investment Finance



David Tikao
Endowments Investment Manager, Ngāi Tahu Holdings

Advisory Board



Pip Best
Climate Change & Sustainability Partner, EY



John Duncan
Deputy Chair, Kāinga Ora - Homes & Communities



John McCarthy
Manager, The Tindall Foundation



Kevin Prime
Kaumātua & Environmental Commissioner



Simone Robbers
Assistant Governor, Reserve Bank of New Zealand



Sir Stephen Tindall
Founder, The Tindall Foundation

The Centre was established to act as an honest broker and coordinator between the finance sector, government and regulators.

Founding Partners



The Centre for Sustainable Finance was founded with support from:



Partners



Our approach

- ✘ Engage in strategic communications aimed at changing mindsets and removing barriers to progress
- ✘ Drive insights and guidance through implementation groups
- ✘ Co-design and pilot cross sector implementation projects
- ✘ Track and highlight progress

2022 Roadmap priorities

Recommendation 2: Raise capability in sustainable finance through education and training

- Incorporate sustainability and tikanga concepts into the agenda of professional training programmes and qualifications
- Provide education and training for directors, management and trustees

Recommendation 3: Improve public and private sector governance for sustainability

- Introduce a Stewardship Code for financial institutions and link this to the licensing requirements of KiwiSaver and managed fund providers

Recommendation 8: Recognise that financial services and products are a utility and create an inclusive financial system

- Develop guidelines and a better approach to coordination between service providers responding to customers in vulnerable circumstances;
 - Crystallise informal public and private cross-sector collaborations to support customers in vulnerable circumstances, perhaps similar to 'The Thriving Communities Partnership' in Australia.

Recommendation 11: Develop standards and pathways that encourage investments which deliver positive environmental, social and economic outcomes

- Encourage collaboration and leadership in the private and public sectors, including Treaty Partners and stakeholder engagement;
 - Transform public sector investment to deliver sustainability outcomes
- Develop standards for sustainable finance products and investments;
 - Define sustainable financial products

Recommendation 2: Raise capability in sustainable finance through education and training

- Incorporate sustainability and tikanga concepts into the agenda of professional training programmes and qualifications
- Provide education and training for directors, management and trustees

Key activities

- ✕ In partnership with Deloitte, delivered a cohort of 30 directors through a four-part workshop series on Climate Governance, culminating in the publication of the [Directors' Guide to Climate Governance](#), which reflects local insights, international best practice and the New Zealand Climate Disclosure Standards
- ✕ Established the Aotearoa New Zealand Investor Coalition for Net Zero with Mindful Money and Investor Group on Climate Change (IGCC); produced a survey and webinars to track finance sector progress on net zero commitments, and convened investment professionals to form the Net Zero Community of Practice, which meets regularly to share knowledge and best practice across asset owners and managers
- ✕ In partnership with Deloitte and Sustainable Business Council, conducted the second annual CFO Sustainability Survey into CFO's views on their role in, and their organisations' progress on, sustainability activities
- ✕ Supported the establishment of Chapter Zero through participation in its technical working group
- ✕ Commissioned, co-designed, and piloted an online Sustainability Academy with EY
- ✕ Established a moderated online sustainable finance forum which currently has 185+ members



Toitū Tahua: Centre for Sustainable Finance Inaugural Partners' Gathering

"Climate governance is an essential topic that all directors need to be across, and the workshops emphasised the integral link with broader strategic risks and opportunities. Distilling the workshops into a guide offers an excellent resource." Mark Cross, Chair of Chorus, director of Xero, board member of ACC

Recommendation 8: Recognise that financial services and products are a utility and create an inclusive financial system

- Develop guidelines and a better approach to coordination between service providers responding to customers in vulnerable circumstances;
 - Crystallise informal public and private cross-sector collaborations to support customers in vulnerable circumstances, perhaps similar to 'The Thriving Communities Partnership' in Australia.

Key activities

- ✗ Under the guidance of a steering committee comprised of senior representatives from Good Shepherd, Mercury, BNZ, Westpac NZ and The Tindall Foundation, we convened a cross-sector summit to secure community support for a Thriving Communities-style initiative
- ✗ Hosted the Thriving Communities Partnership Leadership team from Australia to understand the applicability of their platform in an Aotearoa NZ context and critical success factors
- ✗ In collaboration with Mercury, Kootuitui and the Tindall Foundation, established a pilot project aimed at improving access to essential utilities and financial services. This project is the first phase of an Aotearoa New Zealand platform, inspired by Thriving Communities Partnership. This words builds on an initiative called 'Home Sweet Home' instigated by Mercury, Watercare, Foodstuffs, Veolia.
- ✗ Engaged across government agencies, regulators and financial institutions to improve access to bank accounts for those young people in state care who want them



Mahera Maihi, Chief Executive, Mā Te HuruHuru at the Inclusion Summit

"I just want to say a big thank you for inviting us to the Inclusion Summit. We got so much out of it and I what I took away was hope. Also the contacts we made and rekindling old ones." Bree Davis, CEO, Te Rūnanga o Whaingaroa Whaingaroa

Recommendation 11: Develop standards and pathways that encourage investments which deliver positive environmental, social and economic outcomes

- Encourage collaboration and leadership in the private and public sectors, including Treaty Partners and stakeholder engagement;
 - Transform public sector investment to deliver sustainability outcomes
- Develop standards for sustainable finance products and investments;
 - Define sustainable financial products

Key activities

- ✕ Prepared two papers and engaged with government on the need for a coordinated approach to collaboration and sustainable finance taxonomies, ultimately securing an action on developing definitional tools (green taxonomy) in the National Adaptation Plan
- ✕ Made submissions on key domestic and international consultations related to sustainability standard setting, emissions reduction and adaptation plans
- ✕ Developed principles-based guidance and a working definition of impact investing in an Aotearoa New Zealand context, in partnership with PWC and the Impact Investing Network
- ✕ Collaborated with KPMG on the 'Mobilising Capital for Impact' report, which further highlights systemic blocks to 'financing the transformation'
- ✕ Published the SAFI data paper highlighting key considerations for developing data infrastructure in the agricultural sector
- ✕ Facilitated our partners and opposition leader Christopher Luxon through a dialogue designed to challenge assumptions and encourage collaboration
- ✕ Contributed to the MBIE research project on funding and financing the transition to a low emissions economy



Hon Grant Robertson, Minister of Finance and Hon James Shaw, Minister for Climate Change at the Inaugural State of Sustainable Finance event

“I specifically want to acknowledge Toitū Tahua for the role that they've been playing in the transformation of the financial system. Toitū Tahua have been coordinating insights from across the sector and we have heard your feedback around closer engagement between government and industry.” Hon James Shaw, Minister for Climate Change

Recommendation 3: Improve public and private sector governance for sustainability

- Introduce a Stewardship Code for financial institutions and link this to the licensing requirements of KiwiSaver and managed fund providers

Key activities

- ✕ Sponsored and supported the development of an industry-led Aotearoa New Zealand Stewardship Code for investors. The Centre and RIAA jointly host the Code secretariat.

Development committee:

- Anne-Maree O'Connor, New Zealand Super Fund
- Bruce W Lee, Who's Good, CFA Institute
- David Kandziora, Russell Investments, CFA Board
- Erica Miles, ESG consultant (Committee Chair)
- Emma Dale, Chapman Tripp
- Jorge Waayman, Harbour Asset Management
- Katie Beith, Forsyth Barr
- Matt Mimms, The Investment Store, RIAA Board
- Nicola Swan, Chapman Tripp
- Penny Sheerin, Chapman Tripp
- Philip Houghton-Brown, BT Funds Management NZ / Westpac, CFA Board
- Robert Sloan, Trustees Executors, FSC Sustainability Committee
- Sebastian Gehricke, Otago University, INFINZ
- Simon O'Connor, Responsible Investment Association of Australasia
- Sue Walker, Bank of New Zealand, INFINZ
- Susan Quinn, Responsible Investment Association of Australasia

Sponsors of the Code's development:

BNZ, ASB, Chapman Tripp, Forsyth Barr, Harbour Asset Management, NZ Super Fund, RIAA, The Investment Store, Trustees Executors, University of Otago, Westpac, West Nine Consulting



“The launch of this Stewardship Code brings New Zealand in line with leading global markets who already have such codes in place. More than 40 stewardship codes or initiatives have been issued across 20-plus jurisdictions, including the UK.” Simon O'Connor - CEO, RIAA

Financials

The Centre was established to accelerate progress toward the sustainable, equitable and inclusive financial system by 2030.

Given this timeline and level of ambition, the Centre is operated on the principle of allocating maximum funding to its programmes and activities, aiming to break even rather than carry forward a funding surplus.

2022 saw the Centre deliver a programme of work significantly greater than the organisational budget would indicate. This was due to the significant value received from in-kind partnerships, measured in both the time and expertise of those delivering each project.

The 2022 operational budget allowed for a small staff team comprised of CEO, Communications lead, Community associate, with nominal overheads and support provided by external consultants.

Y22 Financial statements were prepared by Deloitte.
Full statements are available on request or by clicking the link below.

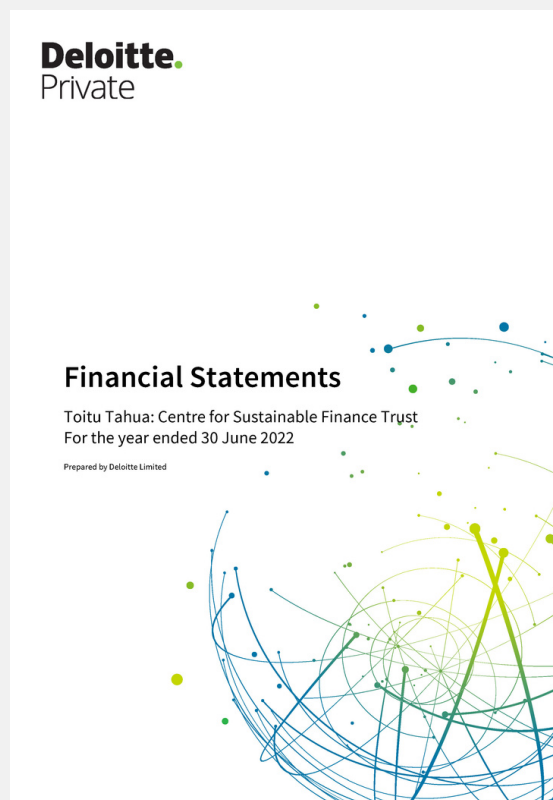
Statement of financial performance

After adjusting for the 2023 funding invoiced before the 2022 year-end, the surplus in relation to operations for 2022 is \$140,253.

Revenue	Notes	2022
Donations, fundraising and other similar revenue	1	125,000
Revenue from providing goods or services	1	24,029
Interest, dividends and other investment revenue	1	87
Other revenue	1	841,726
Total revenue		990,842
Expenses	Notes	2022
Volunteer and employee related costs	2	202,773
Costs related to providing goods or service	2	81,594
Other expenses	2	1,221
Total expenses		285,588
Surplus for the year		705,253

Charity information

Legal name: Toitū Tahua: Centre for Sustainable Finance Trust
Charity registration number: CC59828



[Download the FY22 Financial statements](#)

The team



Jo Kelly
Chief Executive

Jo has delivered cross-continent sustainability initiatives between some of the world's best known business leaders. Alongside her role as Chief Executive of Toitū Tahua, Jo is on the B Lab Australia New Zealand Board and the National Advisory Board for Impact Investing. In 2011 Jo managed establishment of The B Team, co-founded by Sir Richard Branson and Jochen Zeitz, which led the first calls from business for Net Zero by 2050 and an ambitious Paris Agreement. On returning home to Aotearoa NZ, Jo spent four years with Deloitte New Zealand.



Nicola Shephard
Senior Communications Adviser

Nicola has been writing for over 20 years, most recently as a senior journalist for the *National Business Review (NBR)*. She started out at *North & South* magazine doing long-form profiles and social issue features, moving to the *Herald on Sunday* as a feature writer and then taking a year out to do an MA in Arts Journalism at Columbia University in New York, supported by a Fulbright Award, other scholarships and the local bagel food truck (\$1 breakfasts!). Returning to Aotearoa, she joined *Metro* magazine as a staff writer and arts editor followed by four years at the University of Auckland as media adviser for the Business School, Liggins Institute and Medical and Health Sciences.



Bella Conyngham
Partnerships Associate

Bella coordinates strategic partnerships, engagements and work-streams for the Centre for Sustainable Finance. She is particularly passionate about systems change and the opportunity our financial system has to be the driver of creating a sustainable and equitable future. Outside of her work at the Centre, Bella is a Global Shaper for the World Economic Forums' Auckland Global Shaper Hub. Bella holds a Bachelor in Commerce (International Business & Strategy) and a Postgraduate Certificate in Change Leadership, as part of receiving an Impact Scholarship from The Mind Lab.

Implementation network

Thank you to the many people who have contributed to these projects and advanced progress toward key roadmap recommendations

Abi Bond, Kootuitui
Amy Sparks, Deloitte
Alex White, Ministry for the Environment
Adam Coxhead, Bank of New Zealand
Alton Pollard, KPMG NZ
Andrew Boivin, Deloitte NZ
Andrew Hill, Westpac NZ
Andrew Gaukrodger, ANZ NZ
Andrew Jamieson, PwC NZ
Annabell Chartres, PwC NZ
Anne-Maree O'Connor, New Zealand Super Fund
Ashley Toth, ANZ NZ
Barry Coates, Mindful Money
Belinda Van Eyndhoven, Westpac NZ
Bill Murphy, Purpose Capital
Blake Holgate, Rabobank
Bruce W Lee
Burcu Senel, HSBC
Caroline Poujol, ANZ NZ
Callum Webb, Ministry for the Environment
Clare Elcome, Institute of Directors
Clarissa Gyetse, Deloitte
Dana Muir, Bank of New Zealand
David Kandziora, Russell Investments
David Lewis, Novus Consulting
Dean Hegarty, Responsible Investment Association Australasia
Dean Spicer, ANZ NZ
Emma Dale, Chapman Tripp
Elizabeth Hill, Ministry for Primary Industries
Erica Miles, West Nine Consulting
Fergus Lee, ASB
Fleur Howard, Good Shepherd NZ
Gideon Clewlow, ASB
Gina Cotton, Deloitte
Helen Tua, Mercury
Harrison Smith, Investor Group on Climate Change
Isabelle Smith, EY
Isobel Bruun-Kair, Ministry for the Environment
Jacqui Macalister, Bank of New Zealand
Jaclyn Margules, HSBC
Jan Piahana, Kootuitui
Jay Crangle, Sustainable Business Council
James Roberts, KPMG NZ
James Paterson, ASB
Jemma Penelope, PwC NZ
Jessica Retter, KPMG NZ
Joanna Silver, Westpac NZ

Julia De Blaauw, ANZ NZ
John Berry, Pathfinder Asset Management
Jonathan Williams, HSBC
Jorge Waayman, Harbour Asset Management
Kate Wilson-Butler, Sustainable Business Council
Kate Lane, MinterEllisonRuddWatts
Katie Beith, Forsyth Barr
Keith Zhang, Ministry for Primary Industries
Laura Reynolds, KPMG NZ
Linda Townsend, ANZ NZ
Lloyd Kavanagh, MinterEllisonRuddWatts
Lucie Drummond, General Manager Sustainability, Mercury
Luke Ford, Chapman Tripp
Mark Stuart, MinterEllisonRuddWatts
Martin King, Bank of New Zealand
Matt Mimms, The Investment Store
Mel Hewitson MNZM – Independent
Miranda James, ASB
Mike Burrell, Sustainable Business Council
Nicola Swan, Chapman Tripp
Olaf Adam, Westpac NZ
Olive Coulson, Mindful Money
Penny Sheerin, Chapman Tripp
Phillip Houghton Brown, BT Funds Management NZ Ltd
Rebekah Cain, Bank of New Zealand
Rebecca Lowe, Sustainable Business Council
Rikki Stancich, Deloitte
Robert Sloan, Trustees Executors Limited
Rebecca Mikula-Wright, Investor Group on Climate Change
Rukumoana Schaafhausen, Independent
Sebastian Gehricke, University of Otago University
Stephanie De Groot, MinterEllisonRuddWatts
Simon O'Connor, Responsible Investment Association Australasia
Simon Ngawhika, EY
Simon Wilkins, KPMG NZ
Sue Walker, Bank of New Zealand
Susan Quinn, Responsible Investment Association of Australasia

We also wish to acknowledge the contribution of the following:

- Australian Sustainable Finance Institute (ASFI)
- Chapter Zero New Zealand, hosted by Institute of Directors
- Mindful Money
- Impact Investing Network of Aotearoa NZ
- Investor Group on Climate Change (IGCC)
- Institute of Financial Professionals NZ (INFINZ)
- Responsible Investment Association of Australasia (RIAA)
- Sustainable Business Council
- Sustainable Business Network
- The Guardians of The Aotearoa Circle

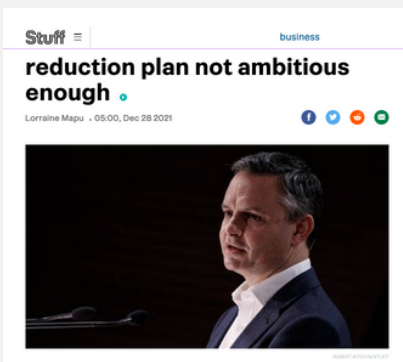
Additional information

The following pages highlight the final guidance and insights that were published by the Centre in the 2022 calendar year.

Insights & guidance from the Centre



Select thought leadership & media coverage



BUSINESS

Directors get guidebook on climate change governance

Industry bodies release guide to risks and opportunities behind new climate-related disclosures.

NBR Staff
Wed, 30 Nov 2022



BUSINESS

Investment sector needs to step up on net zero pledges

New survey shows NZ lags Australia and Europe with net zero climate action.

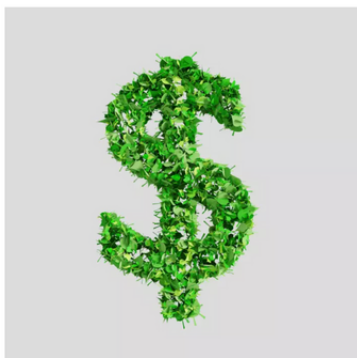
Jonathan Mitchell
Thu, 17 Nov 2022



Investing with Māori is a long-term choice for sustainable finance, panel says



Investors need to think green to survive in the sustainable finance space



Sustainable Business: 'Radical collaboration' is driving change

By Bridget Coates
28 Jul, 2022 04:59 AM © 11 mins to read



