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#07 SPRING
2022

FUNDRAISING, PHILANTHROPY

& the

ENVIRONMENTAL AGENDA



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With thanks to
Jonathan Gunson, researcher

FUNDRAISING, PHILANTHROPY & the ENVIRONMENTAL AGENDA

As the next phase of pandemic recovery starts in 2022, there are many competing agendas for the leaders of arts organisations to explore. But the environmental agenda is firmly at the forefront of much of our thinking and concerns.

Our climate is changing faster than nature can adapt to it. We have a limited time to keep **global temperatures** within a limit that the earth can recover from, and therefore the need to take action is urgent for all of us.

Following on from the UK's hosting of **COP26** in Glasgow in November 2021, in this edition of **Now, New and Next**, the team at **Arts Fundraising & Philanthropy** has turned its attention to what the climate emergency might mean for fundraising and philanthropy practice in the coming years.

The issues to consider are varied and complex. What will drive systems change? How can the arts support wider environmental policy agendas?

How can funders support **behavioural change**? What might Trustees need to consider and how will the investment policies of charities need to change? How do we navigate the ethics of fundraising and partnerships?

We hope that you'll find this issue helpful in supporting your organisation to navigate some of the critical issues in relation to the **environmental agenda** and **fundraising** and **philanthropy practice**.

Thank you to all the contributors to this issue. If you would be interested in contributing an article to a future issue, please send us an email to artsfundraising@cause4.co.uk and we'll be in touch.

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Swiss artist Ugo Rondinone's Seven Magic Mountains is a large-scale site-specific public art installation located near Las Vegas, Nevada.



Can the Arts help save the planet? What role do our artists, organisations and activists have in setting the environmental agenda?

BY MICHELLE WRIGHT, DIRECTOR OF ARTS FUNDRAISING & PHILANTHROPY



Of course, we know that the arts have the potential to change the world, but what can really be achieved in the area of the environment?

Claudia Rinke, **writing** for Innovators Magazine, offers optimism that art has the power to change society and the world, by moving people and offering new experiences. She explains that art encourages people to change their thinking and perceptions.

Art can also take the form of protest and can be a source of inspiration for economic and political leaders, activists, and all people interested in finding solutions.

Where it started

The arts have for decades been engaged in the discussion surrounding the environment. Examples of **Environmental Art** can be seen as far back as the 1960s, through initiatives such as Land Art.

Land Art, also known as earth art, links to the wider movement of **conceptual art**, a movement of artists who made pieces directly in the landscape. **Land art emerged** in the USA, in part as a component of a growing interest in ecology, environmental preservation, political activism, and women's liberation, and as a protest against the commercial art market and an industrialised and polluted urban society.



Land Art was nonetheless criticised as leaving marks on nature and disrupting the natural landscape. The counter to this was **Sustainable Art and Ecological Art**. Sustainable Art is more careful about its influence and mark on nature, using natural materials that can easily decompose or leave no waste, either leaving no mark or even improving the natural landscape.

Ecological Art, or eco-art, meanwhile has a clear environmental goal. It has an activist and socially engaged aspect. Examples might include renewable energy sculptures.

Art has the power to change society and the world, by moving people and offering new experiences

Spiral Jetty (1970) by Robert Smithson's
Photo: George Steinmetz,
Courtesy of Dia Art
Foundation, New York



The value of the arts in the environmental agenda

Through creativity and its ability to inspire, there are several ways that the arts add value to the environmental agenda:

METHOD 1

Art for Awareness Raising

One of the most common forms of artistic engagement is in terms of environmentally themed art and exhibitions.

For example, the **General Ecology programme** of the Serpentine includes in its ethos an expansion of the definition of art to include environmental campaigns. This **project** was founded in 2018, bringing together practitioners from art, design, science, literature, anthropology, through publications, exhibitions, study programmes, radio, symposia, and live events, plus structural and systemic initiatives.

Similarly, as part of COP 26, the **Polar Zero** exhibition at Glasgow Science Centre saw a wonderful collaboration between science, art and engineering featuring newly commissioned work from the artist and sculptor Wayne Binitie. The centrepiece is an original glass sculpture containing air from the year 1765. Extracted from an Antarctic ice core and preserved forever within the sculpture, this air connects its audience with a pivotal moment in the Earth's history, the dawn of the industrial revolution.

METHOD 2

Art as a Role Model for Sustainability

An example of the role of the arts in becoming more sustainable is the **Climate Museum UK** which is both mobile and digital. It collects responses and produces and gathers objects in order to activate people in response to the Climate and Ecological Emergency.

Another example is **Glyndebourne** which has been working for over a decade on a goal of becoming carbon neutral in its direct operations through redirecting its excess energy generation to the National Grid.

Similarly, all 46 **theatres** of the European Theatre Convention (ETC) network have agreed to reduce their carbon admissions to net zero by 2030, signing the Sustainable Action Code which has as its focus environmentally friendly changes to theatres - their organisations, their buildings, and their productions.



Future agenda and potential limits

Of course, the arts can do their bit but there are also limits. As **Paul Arendt commented**: Can the arts really save the world? In the short term, the answer is probably still no. That job must fall to politicians. But what the arts can do is remind us that it's possible to save the world. Art can shock us - spur us - into action. Perhaps, therefore, the most meaningful role for the arts, is as a call to action.

We can ensure provocative presentation of the effects of climate change through art which inspires or motivates people to address climate change. We can also lead by example, encouraging more environmentally sustainable ways of operating as businesses and organisations, venues and productions, which might just encourage others to do the same.

Can the arts really save the world?
In the short term, the answer is probably still no.
That job must fall to politicians.
But what the arts can do is remind us that it's possible to save the world.



How can funders encourage green philanthropy?

BY JONATHAN GUNSON,
RESEARCHER, CAUSE4



What do we mean by green philanthropy? Environmental philanthropy. Green philanthropy. There are a range of different terms used to describe this form of philanthropy, with some of these being used interchangeably. Bernard Mercer, the author of the [Green Giving report](#) observes that whilst new philanthropy tends to be focused on human and social welfare issues, funding for environmental causes could have a big impact in the future.

Six overall priorities are identified for funding environmental challenges: more funders, better knowledge-sharing, better information and analysis, long-term funding, funding charities fully and flexibly, and supporting charities to assess and articulate their effectiveness.

These elements can provide the bedrock for how funders can encourage green philanthropy.



WHAT IS BEING DONE ALREADY?

There are a variety of initiatives underway: In **September** 2021, nine philanthropic foundations pledged c.5 billion for the protection of 30% of global land and sea by the end of the decade.

The **Ford Foundation** announced its intention to **divest** millions away from fossil fuels, and instead invest its energy portfolio in alternative and renewable energy.

The **IKEA and the Rockefeller Foundations** announced that they were joining forces to create a c.1 billion fund to support renewable energy programmes in developing countries. The **aim** is to unlock c.20 billion by 2030 to address climate change and alleviate energy poverty.

The **Fondation de France** has been engaged with green philanthropy for some fifty years and has **learned** much from this, including appreciating the sheer scale and enormity of the problem, and encouraging all foundations to incorporate climate in their work.

Another initiative is the **Earthshot Prize**. This initiative was launched in October 2020 by **HRH Prince William** and **The Royal Foundation of The Duke and Duchess of Cambridge** and is **described** 'as the most prestigious global environment prize in history'. It centres around five '**Earthshots**', goals which will improve life for generations to come if achieved by 2030.

These are to protect and restore nature, clean our air, revive our oceans, build a waste-free world, and fix our climate. Each year for the next ten years, five winners will receive a **prize of £1 million**, thus providing at least fifty solutions to the greatest environmental problems facing the world by 2030. All fifteen of the inaugural Prize Finalists will receive tailored support.



WHAT MORE IS TO BE DONE?

There is already a strong tradition of philanthropy towards environmental causes. A **report** published in October 2021 by ClimateWorks, the European Foundation Centre, and The Hour is Late, suggests that foundations are giving more and more towards mitigating the effects of climate change. In 2020, the report estimated that over €1.7 billion (\$1.9 billion) was directed in foundation grants towards organisations and individuals working to halt and reverse climate change, and yet despite this, under 2% of the total giving of European foundations is focussed on work to prevent climate change. Whilst awareness of the climate crisis has grown, and foundations are increasing their work in this area, the giving figures suggest that many Foundations are right at the early stages of formulating policy.



The Ford Foundation has announced its intention to divest millions away from fossil fuels, and instead invest its energy portfolio in alternative and renewable energy.

The overall message then to funders is, perhaps, knowledge



WHERE SHOULD WE GO FROM HERE?

Of course, Foundations cannot achieve change single-handedly. It is incumbent on all organisations to work towards adapting their operating models to a more sustainable position and to move towards sustainable sources of energy. However, powerful Foundations signalling change, such as the divestment from fossil fuels by the Ford Foundation, can help create momentum by leading the way.

At the **conference** of the European Foundation Centre in Vienna in October 2021, the **point** was made – that every foundation requires climate awareness in order to be complete, and this includes both environmental and non-environmental foundations. Addressing climate change is intersectional – and cannot be avoided by ‘non-environmental foundations’, because addressing the climate crisis also makes impact in other areas such as health, education, and disadvantaged communities.

The overall message then to funders is, perhaps, knowledge.

Knowledge about climate awareness; knowledge of how climate change affects multiple areas of philanthropic work, not just the environment specifically; and knowledge about how green philanthropy will fit within the ethos of the funder, as well as simply being a good thing for its own sake.

If such knowledge becomes more widespread and is utilised, then charities and the private sector can use their innovation and influence to move and inspire both governments and the world at large to act.

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LET'S CREATE

ENVIRONMENTAL

**the implications
of the new Arts
Council England
strategy for arts
fundraising**

BY NAOMI CHAPMAN,
DEVELOPMENT MANAGER, CAUSE4



It's fair to say that the launch of Arts Council England's new strategy, Let's Create, in 2020 has been a little overshadowed by the Covid-19 crisis, and the need for investment in survival and cultural recovery over the last two years.

However, with a new funding round for National Portfolio Organisations (NPOs) on the horizon, and a new application form for Project Grants launched in November 2020, the Outcomes and Investment Principles of Let's Create are gaining in significance. Now is the time for every artist and arts organisation to understand the implications of Let's Create on their planning, including for fundraising.

One of the strategy's Investment Principles is Environmental Responsibility, due to Arts Council England's acknowledgement that the climate crisis is the most significant challenge facing all of us over the next decade and beyond.

"We want the sector to be an exemplar at the collection, reporting and understanding of its environmental data. This data should clearly inform environmental planning and initiatives and will play a demonstrable role in decision and policy making." ARTS COUNCIL ENGLAND

Of course, the policy is not just about data. Arts Council wants its funded organisations and individuals to lead from the front on this agenda and to influence the areas where they can have the biggest impact. See their Essential read – [Environmental Responsibility | Arts Council England](#)

Let's Create isn't the first time that the Environment has featured in Arts Council England policy: the funder's Environmental Programme was launched a decade ago in 2012, when it became the first cultural body in the world to embed environmental reporting into funding agreements.

"We want the sector to be an exemplar at the collection, reporting and understanding of its environmental data. This data should clearly inform environmental planning and initiatives and will play a demonstrable role in decision and policy making."

ARTS COUNCIL ENGLAND



The Spotlight Programme worked with organisations to develop net zero carbon targets with NPOs and upskill the sector. In 2019/20 this group reduced its energy emissions by 18%.

Since then, Arts Council England has delivered several key environmental programmes, including:

The Accelerator Programme: since 2018, the funder has brought together 20 organisations across two cohorts to develop leadership skills that help advance sustainable cultural practice and share knowledge in the sector. Participants benefitted from training, mentoring and peer support.

The Spotlight Programme: responding to the fact that a small number of NPOs were responsible for more than half of the portfolio's emissions, this programme worked with these organisations to develop net zero carbon targets and upskill the sector. In 2019/20 this group reduced its energy emissions by 18%.

Arts Council England has also required General Environmental Reporting, ensuring that all NPOs use Julie's Bicycle Tools to report on their environmental performance each year.

For the sector that it supports, the Environmental Programme is popular: 99% of NPOs consider it important that Arts Council England continues to help them deliver a more environmentally sustainable future.

So, it is clear that the Let's Create Investment Principle of Environmental Responsibility is not a new commitment, but an evolution of a longstanding policy. But what does this new strategy mean for arts fundraising?

01. Arts organisations (and artists) need to be able to articulate their environmental journey: whether you're applying for £5,000 or £5million, new form questions mean that applicants can express how they will understand, measure, and reduce their environmental impact. While these questions are optional in some cases, completion of these questions will be required for NPO applications and some Project Grants, depending on the type and scale of project. In the application process for both Project Grants and NPOs, **those with meaningful stories and ambitions will be scored more highly by Arts Council England and therefore may be prioritised for funding.**


02. Environmental responsibility should be considered across the board: it is tempting to consider sustainability only in artistic elements such as production and touring, but it should impact all areas of an organisation's work, including digital

presence, fundraising, and marketing. In its guidance, Arts Council England advises cultural boards to 'check and challenge that leadership has put this principle at the heart of strategic plans'. **Therefore, in every area where there is a strategy or plan, it should incorporate environmental considerations.**

03. Arts Council England is not alone: looking at fundraising more generally, it is clear that the commitment to the environment in Let's Create is far from unique. Significant Trust funders such as the Esmée Fairbairn Foundation have committed to supporting arts initiatives addressing climate change, while there is an acceleration of community support for green initiatives that suggests that donors won't be far behind. **Even organisations receiving limited funding from Arts Council England will not be able to afford to ignore these issues for long.**

The biggest change in the Let's Create strategy is in moving Environmental Responsibility from a reporting requirement to an application requirement. This shows that the strategy's greatest implication is in requiring artists and arts organisations to move sustainability up the agenda, from an afterthought, to a clear pillar of strategic planning.

For those involved in governing or leading a cultural organisation, or independent artists seeking to scale up work, sustainability needs to be at the forefront of conversations about the future. Understanding and articulating where you are, where you seek to get to, and how you will get there, will build trust with Arts Council England and other key funders, and ultimately will support fundraising efforts both now and into the future.



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Funding, collaborating, and developing the cultural sector's response to climate change

BY DAVID JOHNSON, DIRECTOR OF STRATEGY AND PROGRAMMES,
CAUSE4 AND HEAD OF ARTS FUNDRAISING & PHILANTHROPY



The United Nations describes countries moving toward rebuilding their economies after Covid-19 in ways that are clean, green, healthy, safe and more resilient. The Secretary-General has proposed six climate positive actions for governments to take once they go about building back their economies and societies. The first of these is Green Transition, where investments must accelerate the decarbonisation of all aspects of our economy.

For the arts and culture, there is a history of organisations doing excellent work to raise awareness, advocate and stimulate change. Increasingly, statutory funders, as well as Trust and Foundations, are going further to support those organisations to not only get their message out, but to support embedding improved green practice into their own business models.

Since 2012, **Julie's Bicycle** has worked with Arts Council England to manage a reporting requirement for all regularly funded organisations. Arts Council was the first cultural body in the world to embed environmental reporting explicitly into its funding agreements and in 2020's **Let's Create** strategy, Environmental Sustainability is one of the four key Investment Principles.

Since, then Arts Council England has invested £350k in the redevelopment of the Julie's Bicycle Creative Green Tools.

Julie's Bicycle supports Arts Council grantees through events, workshops and peer exchange



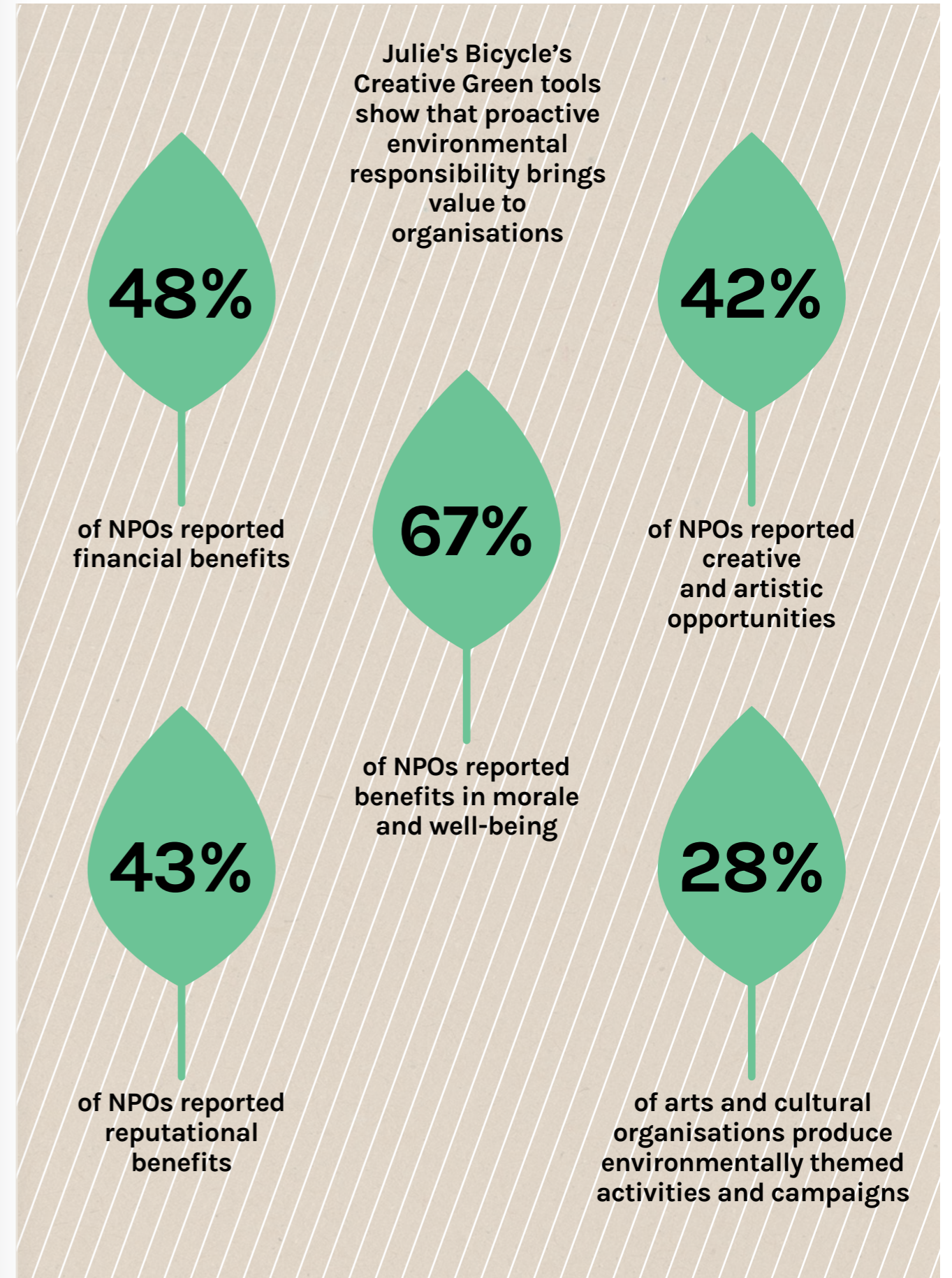
This will allow for more accessible and nuanced data reporting and will support forecasting of environmental impacts of activity, which will be a new function.

Julie's Bicycle supports Arts Council grantees through:

- ◆ Access to the Creative Industry Green tools, a series of carbon calculators
- ◆ National networks with a focus on leadership and peer exchange
- ◆ Events and workshops and a helpdesk for grant holders
- ◆ Audits and evaluations
- ◆ Mentoring
- ◆ A resource library which includes practical guides and factsheets

To support organisations to compare their environmental performance against others in the industry, benchmarks have been developed using Julie's Bicycle's Creative Green tools. Through these tools, we see that proactive environmental responsibility brings a range of value to organisations:

- 48%** of NPOs reported financial benefits
- 42%** reported creative and artistic opportunities
- 67%** reported benefits in morale and well-being
- 43%** reported reputational benefits
- 28%** of arts and cultural organisations produce environmentally themed activities and campaigns within their local communities, and almost a quarter are working with neighbourhood or city decision-makers



Alexis Frasz's article for **Grant making in the Arts Funding at the intersection of Art and Environment** talks about the eagerness of Trusts and Foundations to share their learning in this area too, and identifies some excellent examples of collaborative, environment-focused grant-making for the arts including the **Kresge Foundation** which asks that all applicants outline how projects will build community resilience in the face of climate change.

Back in the UK, **Creative Scotland's 2021/22 Strategy** commits to 'significantly reducing the environmental impact of its work, and those it supports' through a range of different activities including the continued support of **Creative Carbon Scotland**, a charity inspired by Julie's Bicycle. The organisation supports Scottish arts organisations with training around carbon measurement, reporting and reduction. Engagement directly with artists remains pivotal through projects like the **Green Tease**.

Increasingly, we see great practice where organisations understand the key challenges of their local contexts, and as such engage with non-arts organisations to leverage funding and utilise the skills and storytelling via the arts to reach new audiences and contribute to local agendas. For example, **The Morning Boat** based in the Channel Islands, is a public art programme reflecting on agricultural and fishing practices in Jersey. International artists engage with farmers, fishermen, politicians, retailers, and consumers. The initiative is supported by a broad range of funders from across a range of sectors.

Similarly, the **Fens Biosphere** is a multi-sector partnership, co-ordinated by **Cambridgeshire ACRE** working together to achieve UNESCO Biosphere status for the Fens. The partnership is in dialogue with the Creative People and Places project for Fenland, **MarketPlace**, to support local communities to engage with key challenges around water management in the area.

Their report **The Social and Economic Value of a Biosphere for the Fens** identifies 'collaboration as an opportunity to grow and diversify the economy, by attracting new funding and investment...and strengthening the Fens brand, driving growth in tourism and leisure, as well as protecting and investing in the area's natural and cultural capital, for the benefit of people, the economy and the environment, building resilience and addressing the challenges of climate change and biodiversity loss.'

However, to realise change requires support, not just from those funding the work, but also from those outside of it. As the urgency around the environmental agenda is more crystallised than ever, both in the public domain and in policymaking, there is a great opportunity for the arts sector to work with funders and society more broadly to grow investment into this work.

Organisations can get started by:

- ◆ Reviewing what the environmental agenda means in their context and an authentic response based on developing specialisms and strategy
- ◆ Identifying and building relationships with the key supporters funding and championing this agenda
- ◆ Tapping into the support of organisations such as Julie's Bicycle to understand their internal areas of focus
- ◆ Speaking with their funders, stakeholders and community about how they can work together more deeply

We see great practice where organisations understand the key challenges of their local contexts, and as such engage with non-arts organisations to leverage funding and utilise the skills and storytelling via the arts to reach new audiences and contribute to local agendas.





Overcoming the hurdles – what are the next steps for radical change in how we consume and experience art?

BY SARAH TEALE,
MARKETING AND EVENTS FELLOW



There is no question that consuming and experiencing art has an environmental impact. From creating bespoke costumes in the West End to an amateur society buying twenty plastic-packed costumes from the supermarket; from the biggest band touring internationally to an audience member making the drive to their nearest rural venue, the current systems in place make it almost impossible for an arts experience to run in an eco-friendly way.

But is there another way? For years we've seen small pockets of possibility: such as the **Arcola Theatre** in London, which not only exists with solar panels, a therminator boiler, and DC microgrids, but works in tandem with green energy company **Arcola Energy**; or the **Wellcome Collection**, with a zero-to-landfill policy, converting waste created to energy. While these initiatives offer inspiration to other arts organisations, the impact they make on the overall carbon emission of the sector is minimal at best. **Research** from Theatre's Trust suggests that to make the theatre industry alone totally sustainable it would cost in the region of £1billion.



Arcola Theatre aims to be the world's first carbon neutral theatre

Then there are aspects of the artistic process that by their very nature make an environmental impact. In 2010, **Julie's Bicycle** produced **reports on the impact of touring** which showed that the accompanying greenhouse gas emissions accounted for 85,000 tonnes CO2e for

bands, 8,600 for orchestras, and 13,400 for theatre.

But what can we do? Touring is a vital part of creating art – it helps to engage communities internationally as well as in rural areas and goes some way to democratise culture. However, can the positives ever balance out the large climate debt? Huge bands like **Massive Attack** and **Coldplay** have paused or completely halted touring until it's environmentally sustainable to do so. But this is an easier position to take when you're already a global superstar; for many less recognised musicians, touring provides a vital income stream.

There are possibilities for new ways to tour: national initiatives like **Paines Plough's Roundabout** & the **Royal Exchange's Den** support companies to take their plays directly into the heart of communities, and curtail the need for audience travel. On a larger scale, in 2021, **Sustainable Theatre?** toured *A Play for the Living in a Time of Extinction* globally without any travel: with actors taking to the stage across the world simultaneously. The problem is, while these are wonderful radical ideas of new ways to do things, they're not yet the norm. To encourage such practice, **Arts Council England has partnered with the Danish Arts Foundation** to launch a new fund, 'to develop new, environmentally responsible international touring practices'.

There are, of course, smaller steps that we can take to minimise the impact of touring. Mapping the best route, choosing sustainable venues, using local equipment and local crew, as well as setting energy or carbon budgets for technical design.

Research following five musicians found that, combined, their CO2 in six months was the equivalent of nearly twenty flights from London to New York City.

Huge bands like Massive Attack and Coldplay have paused or completely halted touring until it's environmentally sustainable to do so.



But even the best planned tour will leave behind a footprint. **Research following five musicians found that, combined, the artists added 19,314 kilograms of CO2 to the environment in only six months** – the equivalent of nearly twenty flights from London to New York City.

Arts Council England sums it up aptly: stating, 'Travel and touring are essential to the arts, but they come at a cost'.

So, what are the options?

Over the past 18 months, we have learned to consume and experience art digitally. We've seen everything moved online: from **Global Citizen Live** seeing Lady Gaga perform for millions in their living rooms, to **the VOV's** art season making collections from 15 of the UK's biggest art galleries available on laptops around the world. Is the really radical option to build on the structure created through the pandemic and end all physical art experiences, only consuming art that we can access without leaving our homes?

Over the past 18 months, we have learned to experience art digitally



But this option just doesn't seem feasible nor palatable – after all, who would want to consume art just at their laptop? The sheer power of art lies in its ability to bring people together to share experiences. We've seen throughout the pandemic that while there has been a great benefit to digital art, as soon as we could participate in person, audiences were back out there! In the **Audience Agency's Cultural Participation Monitor**, they learned that attendance in 2021 doubled on 2020, even if people's caution about Covid-19 still saw numbers reduced from the pre-pandemic peak. And of course, if the arts and cultural sector completely curbed their contribution to global emissions, it still wouldn't be enough. The necessary reduction in greenhouse gases can only be achieved in combination with other industries and wider environmental policy.

Following on from COP25, Julie's Bicycle released a call to action for both policy makers and the cultural sector itself:

'The cultural sector contributes to greenhouse gas emissions and must play its part by aligning with carbon-cutting targets. But, most powerfully, culture can change hearts and minds: it is intimately connected to place and to community; artists can move us to reimagine our world and inspire societies to take climate action.'

Cut forward to November 2021, with the world tuned in to Glasgow for COP26. A whole host of cultural organisations answered the call, stepping forwards to mirror or to amplify the questions that they believed world leaders should be addressing. **Culture at Cop** curated a collection of cultural events surrounding the conference, from shadow puppetry



"The cultural sector contributes to greenhouse gas emissions and must play its part by aligning with carbon-cutting targets. But, most powerfully, culture can change hearts and minds: it is intimately connected to place and to community; artists can move us to reimagine our world and inspire societies to take climate action."

JULIE'S BICYCLE CALL TO ACTION

to transport exhibitions, with events designed to speak to people of all ages, cultures and backgrounds.

While changes in the arts themselves are crucial to reduce greenhouse gas emissions, maybe the most radical role that the arts can play lies in its unique position to change people's minds. The cultural sector communicates not just through numbers or persuasive debating but speaks to people's inner instincts and emotions.

The time to act most definitely is now – and culture must harness its specific strengths to change wider environmental policy and make a lasting impact.



What is ESG investing going to mean for trustees and charity investment?

BY MICHELLE WRIGHT, DIRECTOR OF
ARTS FUNDRAISING & PHILANTHROPY



ESG Investing, as the CFA Institute outlines, stands for Environmental, Social, and Governance.

A DEC Innovations **describes** ESG investing as 'investing which prioritizes optimal environmental, social, and governance (ESG) factor or outcomes.' It is based upon the growing assumption that the financial performance of organisations is increasingly affected by environmental and social factors.

Previous guidance

The previous **guidance** for trustees from the Charity Commission, was first published in 2011 and details how trustees can make good decisions in relation to investing charity funds. The **Charities (Protection and Social Investment) Act 2016** has, as outlined **here**, introduced a statutory power for charities to make social investments.

The guidance, **Charities and investment matters: a guide for trustees (CC14)**, 'sets out the legal and good practice framework for the investment of charity funds' and covers financial investment, the key steps in making financial investments, programme related investment, programme related investment, and mixed motive investments.

This area though can prove a headache for charity trustees, who are left trying to balance reputational matters against the best financial return, within a level of risk which the charity deems to be acceptable.

However, in the current climate and with the environment front of mind, the previous guidance for trustees to maximise financial return for the good of beneficiaries is likely to change. We can no longer just focus on the best financial impact; we also need to 'do the right thing'. This will mean upskilling trustee knowledge on the best approach towards ESG investments for their individual charity and cause.

How has the previous guidance changed?

A Charity Commission **consultation** took place between the 8th April 2021 and the 20th May 2021, seeking 'views on the clarity of draft revised guidance for charity trustees about adopting a responsible (or 'ethical') approach to investing their charity's funds.' A total of 211 responses to the consultation were received.

The **guidance** mentioned above, **Charities and investment matters: a guide for trustees (CC14)**, describes the legal framework, duties, and discretions which trustees have when they are investing the funds of their charities. The term used is referred to as responsible investment. The previous term was ethical investment.

A listening exercise was begun in January 2020 by the Charity Commission in order to help it better understand the barriers which may deter trustees from making responsible investments. Ironically enough, the investment guidance from the Charity Commission itself was identified as one of those barriers!

Given that, it was clear that the Commission needed to revise and clarify its guidance to minimise the risk of misunderstanding. With this in mind, an updated draft of the opening sections of the guidance was developed. Revisions included an explanation of the ability of trustees to adopt a responsible investment approach. However, revised guidance will not be published by the Charity Commission until a High Court case, which relates to responsible investment, is concluded.



We can no longer just focus on the best financial impact; we also need to "do the right thing".

Trustees and Boards

As things stand, there are a number of considerations which trustees and boards should take into account in relation to ESG investing. Yindi Gesinde and Gemma Willingham, writing for **IFC**, **suggest** several key priorities:

Given that the primary duty of a trustee is to act in the best financial interests of the beneficiaries, and further, to exercise when investing a duty of prudence, a trustee should take ESG factors into account as those companies with poor ESG ratings are at a higher risk of financial losses, affecting sales, customer loyalty, and brand value.

However, an issue arises for trustees when they are asked to invest in assets deemed to have a positive social or environmental impact, but which may be considered to have an adverse impact on the charity financially. Examples given include if some beneficiaries are ethically opposed to charitable assets being invested in areas such as tobacco, fossil fuels, or munitions, even if they generate good returns financially.

Complexity lies ahead.

The key duty of a Trustee is to act in the best interests of the charity's beneficiaries. As such, and as **observed**, ESG investing and the financial duties of trustees may or may not be aligned. Feelings run high in the area of ethics. Trustees can therefore not shirk their responsibilities when it comes to developing ethical fundraising and investment policies.

For many trustees it may be contrary to their duties to not incorporate ESG

principles into their investment decisions, decisions such as appointing investment managers, choosing investment objectives and asset allocation.

Whilst overall guidance is likely to change, the fact that the interests of beneficiaries need to take priority is likely to remain at the heart of policy. This will require trustees to be able to align the whole organisation in support of ethical investment decisions. This process in itself will take time and will require great care.

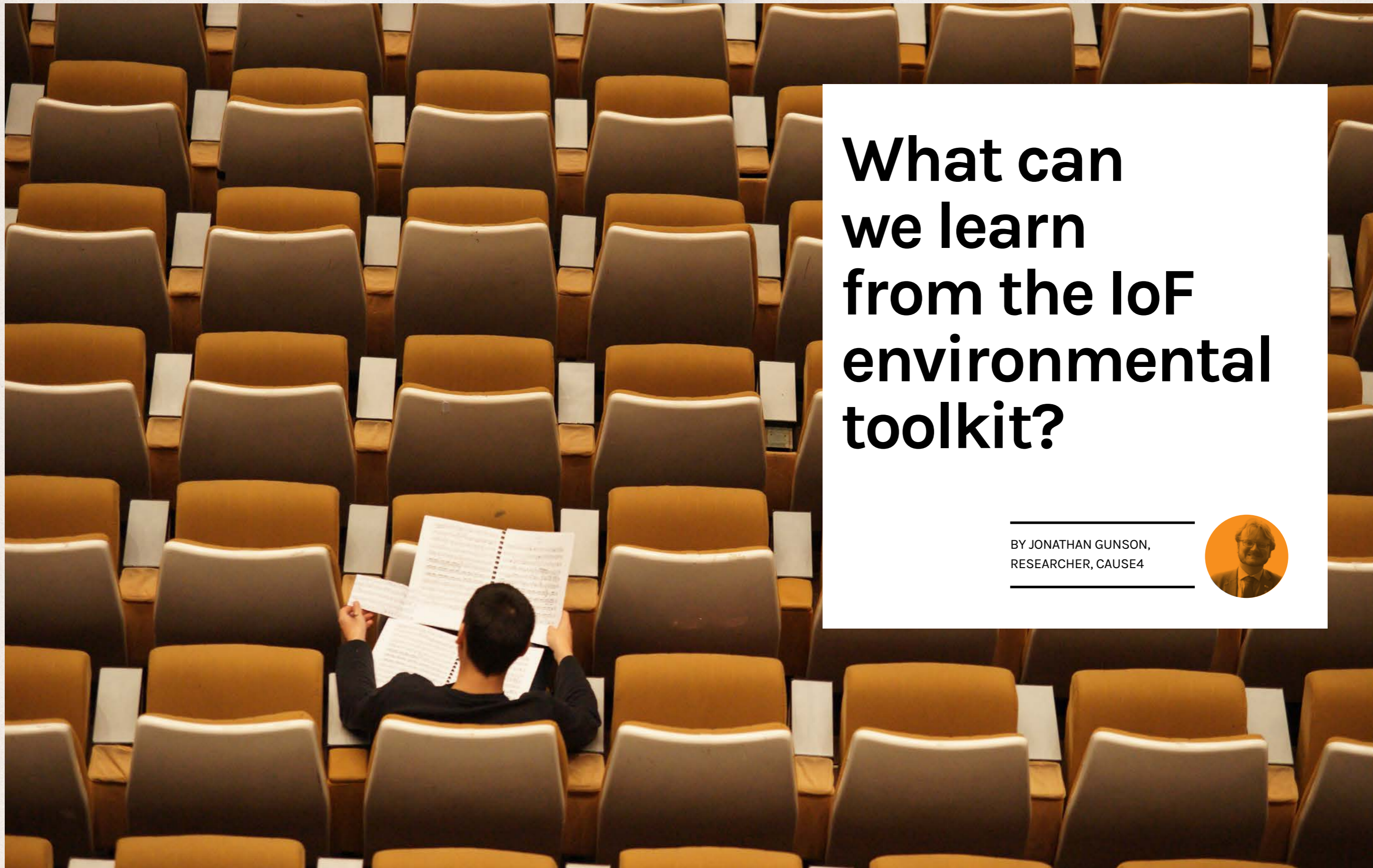


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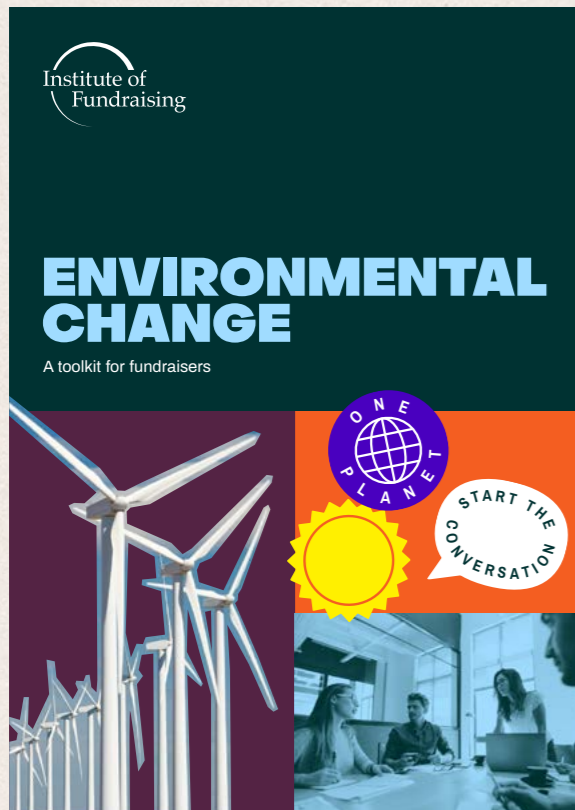


What can we learn from the IoF environmental toolkit?

BY JONATHAN GUNSON,
RESEARCHER, CAUSE4



The Chartered Institute of Fundraising released **Environmental Change: a toolkit for fundraisers** in June 2020. This toolkit provides tools and tips to raise the issue of the environment in a charity. It also encourages individual actions in the professional lives of fundraisers in order to help mobilize change inside charities. So what can we – as fundraisers working across the arts, culture and heritage sectors – learn from the toolkit?



Learning from peers

One of the useful elements of the toolkit is that it provides case studies of the actions that various organisations have taken in relation to environmental change. In this sense, it is a practical toolkit which offers guidance on getting the whole charity onboard. It also provides advice in key areas such as setting up an ethical investment policy, risk assessments and risk management statements.

It also makes the business case for environmentally conscious fundraising. This is important because, as discussed in a **piece** by Rebecca Cooney for ThirdSector magazine, there is a balancing act between bringing in the maximum amount of funding possible, versus a more ethical approach which may not result in as much income for the charity, or at least in the current funding environment.

This is one of the key challenges of environmentally conscious fundraising. Whilst we know that some funders are embracing the environmental agenda and that a good ethical stance can help our organisation's reputation and image, there is still a long way to go to ensure that such an approach also leads to the best financial outcomes.

The toolkit suggests that such change is coming, and with the public increasingly environmentally aware and concerned, it may make business sense to integrate sustainability into a fundraising strategy, as well as being the right thing to do morally.

Specific steps

The toolkit also contains advice for making internal change within a charity, including why a charity should care about the climate emergency, the first steps to getting the whole charity on board, and other actions that the charity can practically undertake.

Areas where fundraisers might consider changing practice include digital, trust fundraising, direct mail, working with third parties, events, and community fundraising highlighted through case studies and resources.

Writing for the Chartered Institute of Fundraising, Karen Rothwell, Director of Fundraising with Greenpeace, comments that 'The Institute of Fundraising's toolkit for fundraisers comes at just the right time to show charities how they can make a meaningful difference.'

Indeed, whilst plenty of charities have toolkits of some description, having a toolkit focused solely on environmental change for an organisation, is a valuable resource.

My conclusion from reading the toolkit, is that the way that the charity and fundraising sectors can best make change, is by leading by example and demonstrating the leading role that charities can have in achieving sustainable practice.

Doing what you can

One of the issues going forward is that, as the toolkit observes, a charity cannot necessarily do everything – but that does not mean that they should not do anything. As the **toolkit** says, 'Not all charities will be able to do everything – all face internal barriers and competing priorities. But putting the charity and mission first, and trying to reduce our environmental impact, are not mutually exclusive; instead, they can be coherent and complementary. It doesn't have to be a choice between one or the other.'

Given the urgency and seriousness of the climate crisis, charities and businesses should consider integrating environmental concerns into their business models and should look to move towards more sustainable operating models. Just as with sectors such as the arts and culture, one of the ways in which charities can create change is leading by example.

As the **toolkit** observes, 'The climate emergency poses a risk to the communities that charities serve, which means that as a sector we all have a role to play in lessening its effects and minimising our environmental impact. The public have an expectation of charities to fulfil social good, so we need to think about how our choices can help us meet those expectations and, in many cases, further our charitable missions.'



What are the best eco-friendly fundraisers for fundraisers to implement?

BY ANNIE JARVIS,
HEAD OF DEVELOPMENT, CAUSE4



It shouldn't be a surprise to anyone that the environment is becoming a central feature in the charity sector, with charities being called upon to help address the climate crisis and bodies such as [Arts Council England](#) making environmental responsibility a key criteria for receiving funding.

As a result, the sector needs to do much more to actively make a difference, adapting operations, fundraising methods, capital developments, policies, and procedures, as well as ensuring that the Board, staff, volunteers, and stakeholders are aware of and involved in the process.

Over the last year, we have seen a growth in innovation in this area, with charities changing the way that they operate, communicate, and fundraise to become more eco-friendly:

One major initiative in environmental sustainability in the arts and cultural sector, is the [Theatre Green Book](#). This three-volume text sets out standards for ensuring productions are made sustainably, buildings are transformed to become more

eco-friendly, and operation functions such as catering, and front-of-house include green policies. A robust guide for the sector, the Theatre Green Book provides a detailed action plan for how theatres can embed eco-friendly techniques into all areas.

During COP26, The National Theatre of Scotland ran a new campaign - [Millipede](#) - a creative commission that showcased a shoe shop of fantasy footwear, each with the concept of reducing our carbon footprint. With input from leading scientists at Edinburgh Science and Science Gallery Bengaluru in India, the charity was able to capture meaningful data about the materials used, the lifecycle of the shoes and the footprint it will leave on the world. This combination of an innovative fundraising campaign and environmentally

focused commission, enabled the charity to raise funds and awareness simultaneously and successfully.

Looking at Corporate Social Responsibility, the leading auctioneer [Christie's](#) continues to run its [Green Auction](#), raising funds for environmental charities across the globe. First launched in 2010, the Green Auction is a global digital event, where works are donated by renowned artists and galleries in what has been coined 'a landmark initiative designed to propel the art world in the fight against climate change'. The goal of the auction is to use antiquities that are recycled, reused, and preserved, with the proceeds going directly to charities directly tackling the climate crisis.

The Brighton based arts charity, **ONCA**, has taken a strong stance on environmental fundraising, creating a clear policy that refuses to accept sponsorship deals from oil, coal, or gas companies. Instead, the charity focuses on a collaborative fundraising method by working with artists, activists, volunteers, organisations, and businesses to raise funds to support environmental and creative learning projects. Fundraising ideas are specifically linked to the environment, with sponsored nature walks, bike rides, runs, and clothes swaps featuring regularly.

Alongside the cultural sector, there are also several non-arts charities breaking ground in eco-friendly fundraising. The **RSPCA** has launched a short guide 'The Four R's to an Eco-Fundraiser', which encourages people to only use recyclable decorations, reuse items, reduce waste and refuse anything that is single-use. It also highlights the ways it is tackling the problem, including outdoor challenge events, using biodegradable materials, and partnering with organisations including the **Great British Spring Clean**.

The RSPCA has launched a guide which encourages people to only use recyclable decorations, reduce waste and refuse anything that is single-use.



So, what can we learn from these initiatives and how can we implement successful eco-friendly fundraisers? Here are some ideas:



Create an organisation-wide policy – similar to the recommendations set out in the Theatre Green Book, consider outlining a series of environmental policies within your fundraising strategy that cover your commitments as an organisation and how you will achieve these. As highlighted in the **Chartered Institute of Fundraising Toolkit**, 'the climate emergency is far bigger than fundraising, but our actions contribute to the carbon footprints of the charities we work for', therefore, we need to understand and mitigate the environmental impact of our fundraising practice.



Raise Awareness – by implementing eco-friendly fundraising, charities can also help raise awareness of the climate crisis and what we can collectively do to address it. With charities like ONCA shouting loudly about environmental responsibility, they are not only raising funds but are also contributing to the much-needed debate in the sector.



Get Creative with ideas – developing an eco-friendly fundraising plan could enable you to become more creative with your fundraising ideas. Resource hubs such as **Donorbox** share plenty of useful suggestions, including hosting clothes swaps, tree planting festivals, clean-up parties, meat-free months, and used book fairs. Think about redesigning your community fundraising pack to encourage more eco-friendly contributions from your supporters.

2022 onwards is likely to demand even more environmental responsibility from arts, culture and heritage organisations. Given the ever-changing landscape, now is the time to ask, are we ready to switch to eco-friendly fundraising?



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Can Corporate Sponsorship ever be an effective part of the environmental agenda?

BY MICHELLE WRIGHT, DIRECTOR OF
ARTS FUNDRAISING & PHILANTHROPY



*This article first appeared in
Arts Professional magazine
in November 2021*

Many arts organisations are trying to find their way through a difficult post-Covid sponsorship climate.

A vital question is whether sponsorship can grow and develop in this economic climate as we recover from Covid-19 and grapple with other agendas such as Black Live Matters and climate emergency.

The COP26 climate summit, which ran in Glasgow from end of October to 12 November 2021 was a case in point. The event was very popular with sponsors (with names such as Microsoft, Unilever and GSK represented).

However, for a conference aimed at bringing 100 national leaders together as a last chance to find ways to limit global warming, as well as the opportunity for the UK Government to unveil plans to meet its net zero target by 2035, the presence of corporate sponsors seemed particularly difficult. With sponsorship heavily linked to marketing Return on Investment, then corporate presence seems immoral when we consider the contribution to global warming driven by corporate consumption.

Of course, this COP summit wasn't an exception, previous summits have had sponsors as well. Corporates represented at the 2015 Paris summit were estimated to contribute almost £18m (about 10% of costs). For the UK Government, bringing in funding for this event mattered, not only to cover costs and to reduce taxpayer investment but also to defray the expected **£250m policing bill** to cope with the **150,000** protestors that were anticipated to be present.

The difficulties of the COP26 summit in relation to sponsorship gives us an insight into the issues we grapple with every day as arts organisations seeking to access sponsorship. Some common themes include:

If money is the main driver we have a problem – COP26 had security concerns that needed funding, but if we put money ahead of values we will run into difficulties. A key question is whether it should have been possible at all for corporates to use exhibition space to promote their brands to the public at the Glasgow Science Centre.

Brand authenticity is key – the moral stance of COP26 and the seeming rush to associate brands with the event led to organisations such as Unilever, well known to have a problematic track record in the area of polluting plastics, having the opportunity to launch a film about 'action towards a nature positive, net zero world' as part of the COP25 schedule. Perceived 'green washing' only further heightened tensions.

Red lines need to be red lines – brands like **Equinor, BP and Shell** reportedly tried very hard to become COP26 partners, but despite pressure, the UK Government stuck to its commitment to not accept sponsorship from fossil fuel companies.

Brands will rarely be comfortable in a logo mash-up – an article in the **Guardian** outlined not only the frustrations about the last minute organisation of COP26 but that other sponsors were concerned that rival brands were appearing. The commercial return on investment attached to sponsorship means some exclusivity is to be expected.



Photo: LWF/Albin Hillert

Brands like Equinor, BP and Shell reportedly tried very hard to become COP26 partners, but despite pressure, the UK Government stuck to its commitment to not accept sponsorship from fossil fuel

Environmental consciousness and activism are on the rise. The complex challenges that we face require all citizens to be part of the debate. Yet despite the increasing numbers of artists and arts organisations that are engaging with environmental issues, the ability to attach corporate sponsorship to this sort of work seems a long way off.

There are some emerging exemplars, for example, Somerset House's brilliant **'We Are History'** exhibition, sponsored by Morgan Stanley, which featured art that connects the global climate crisis to complex legacies of colonialism. This is a brilliant example of how the arts can influence people's opinions and behaviours and shift perceptions.

However, in the funding mix, it is perhaps the statutory and trust funders that will help lead the systems change that we need to ensure radical transformation around the environmental agenda in our day to day work.

We are already seeing shifts, for example, Arts Council England putting the environment firmly at the heart of its Let's Create Strategy. Similarly, the American based **ArtPlace** project, brought together foundations, federal agencies and financial institutions to support artists to help transform infrastructure planning, recycling projects and community resilience in a wonderful joined up and long-term initiative. The initiative recognised the ability of artists to deliver stories to help people understand their role in changing things as a vital part of community development.

Such change takes time and deep-seated adjustments. An accommodating network of funders that help organisations to build confidence and momentum could go a long way toward advancing critical work in the environmental space. And who knows? Perhaps in time we might find the pathways for arts organisations to achieve effective collaboration in the sponsorship arena as well.

Morgan Stanley sponsored Somerset House's exhibition: We Are History



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