



**The
Aotearoa
Circle**

Mā te Kaitiakitanga
ko te Tōnuitanga
Prosperity Through
Guardianship

Year In Review Report 2021

Contents

Co-Chairs Introduction	03
Highlights at a glance	05
Workstream Review Sustainable Finance Forum	06
Workstream Review Seafood Sector Adaptation Strategy	08
Workstream Review Low Carbon Energy Roadmap	10
Workstream Review Mana Kai Initiative	12
Partners	14
The Aotearoa Circle Guardians & Team	15

Co-Chairs Introduction

Welcome to our Year in Review. It's an opportunity to reflect on the year's mahi, take stock of what the Circle and our Partners have achieved over the year and also consider how we are meeting the objectives of The Aotearoa Circle, as first imagined by founders in 2017.

Few countries are more dependent on natural resources for the well-being of their society and their economy than New Zealand. We rank eighth out of 120 countries in natural capital per capita, outranked only by petroleum-exporting countries.

Every day the situation gets more urgent. Every report from the Ministry for the Environment on the state of our natural environment shows a decline and this negative trend is worsening. Climate change compounds the problem. And when our natural resources are suffering, our communities suffer too.

The next decade is critical. The time for action is upon us. The Aotearoa Circle's activity has been focused on shifting the systemic levers for change. In the past year this has meant a focus on sustainable finance, the seafood sector, energy and the food system.

We have completed ground-breaking work to help the seafood sector plan how it should adapt to climate change. We have launched Toitū Tahua: the Centre for Sustainable Finance, and work is almost complete on energy and food roadmaps. But there is much, much more to do.

Our mahi in 2021

The Circle focuses on the critical levers of change to achieve real and sustainable action that will stop the degradation & improve our natural environment. These include the eco-system services that natural capital provides such as food or energy. A good example is the Sustainable

Finance Forum and Toitū Tahua: the Centre for Sustainable Finance. It wasn't long ago that most people in the finance sector did not have a clear understanding of what sustainable finance was.

The launch of Toitū Tahua in July is a great example of how the Circle is not just developing roadmaps or strategies, it is focused on supporting implementation and action on the ground. If we are going to shift key systems, we need these initiatives to be enduring and built into the processes and actions of others.

Today we have Toitū Tahua up and running with its own governance group, CEO and staff. It is committed to implementing the Sustainable Finance Roadmap. Also achieved in 2021 was a new Legal Opinion from Nicola Swan at Chapman Tripp, and barrister, Daniel Kalderimis. This focused on the role of trustees regarding the impact of climate change on investment decisions

and financial risk. This new opinion complements earlier work on Directors' duties.

Through our work, our networks and the efforts of others, there is now a burgeoning sustainable finance environment with equity and debt instruments being created to fund specific environmental projects and clean technology development.

In the marine sector, we brought together a hugely diverse group of interested parties, finding common ground to co-create a Sector Adaptation Strategy (SAS) for the seafood industry.

“
The next decade is critical, the time for debate has passed.

”

Co-Chairs Maru Samuels and Dan Bolger and Secretariat, KPMG, were key to its success as were the other six CEOs in the Leadership Group.

As part of its recommendations to the Government on emissions reductions, the Climate Change Commission stated a new National Energy Strategy was needed.

This led to the formation of the Low Carbon Energy Roadmap (LCER) workstream which will be completed in February.

Our role is not to double up on government policy work, but to use our Partnerships and collaborative approach to co-create a roadmap that can inform, and integrate with, a National Energy Strategy

The advantage the Circle has is our ability to bring diverse groups together into one room where we can learn from each other. Our workstream Co-Chairs, and Secretariats, are skilful in encouraging a sharing of views.

This has not been more evident than in the Mana Kai Initiative – a roadmap for addressing the key issues and challenges, as well as opportunities, in our food system. Members of the Mana Kai Leadership Group represent all parts of the Aotearoa

New Zealand food system from farmers and growers to food rescuers and food banks, from producers and exporters to nutritionists and scientists.

The Leadership Group – most ably chaired by Rangimarie Hunia and deputy chair, Matt Prichard – began the mahi by developing a framework that was built on Te Ao Māori principles. The Leadership Group developed this as a shared vision for an enhanced food system that provides affordable, healthy and sustainably produced food for all New Zealanders.

Having co-chairs that are exceptional leaders and deeply knowledgeable in their areas inspires others to join the initiatives. These leaders are all incredibly busy so having a support system, including a secretariat, to help drive progress in between meetings or events allows partners to meaningfully contribute. We thank EY and KPMG for their assistance this year.

Outlook

The recent COP26 highlighted the need for urgent and collective action. A key theme was the need to put nature at the heart of climate action alongside decarbonisation.

A recent report from the World Economic Forum suggested natural climate solutions such as restoring native forests and wetlands could provide up to 30% of the emissions reductions needed to limit global warming to 1.5 degrees. We need significant investment to scale up these natural solutions that have the potential to address the twin crises of climate change and biodiversity loss.

The COP also recognised the need to strengthen knowledge, technologies, practices and efforts of local communities and indigenous peoples related to addressing and responding to climate change. This is something we are also trying to do within the Circle's work and is evident in the adoption of Te Ao Māori principles.

The Circle aims to have the right Partners in the mahi, not necessarily lots of Partners. Existing Partners have made a huge difference with their contributions and have seen the value this can bring to their staff and organisations' outcomes. We hope this two-way value continues to grow.

The Circle is its Partners, and the work simply couldn't be done without their passion, dedication and hands-on action.

We acknowledge much of the work is voluntary or provided through generously subsidised rates.

It is heartening to see so many leaders from the public and private sectors, NGOs and iwi come together to chart a course for a more sustainable Aotearoa where our future generations can flourish.

Thanks to Vicki Watson and the Aotearoa Circle team for their hard work this year. Finally I thank and acknowledge Sir Chris Mace and Fraser Whineray who finished their Board tenure in December, and welcome David Carter & Simon Limmer to the Board, and Izzy Fenwick as Emerging Director.



Co-Chair

Vicky Robertson



Co-Chair

Volker Kuntzsch



Highlights of 2021

4

Workstreams completed
and launched

56

Partners generously
contributing to the mahi of
The Aotearoa Circle

11

Workstream webinars
held, updating partners
and stakeholders on our
workstream progress

48

Leadership Group members
across our workstreams

53

Technical Working Group
members across our
workstreams.



Sustainable Finance Forum Update

Sustainable Finance Roadmap for Action: Creating a sustainable financial system by 2030

Following the publication of the a roadmap in November 2020, company director Bridget Coates and lawyer Ross Pennington were appointed co-chairs of the Sustainable Finance Forum (SFF 2.0).

Over the first half of 2021, they worked on the Roadmap’s Recommendation 6 - establishing an independent Centre to coordinate the implementation of the Roadmap, including appointment of the inaugural Board.

Launch of Toitū Tahua: Centre for Sustainable Finance

Toitū Tahua: Centre for Sustainable Finance, was launched on 29 July 2021 to implement the SFF Roadmap. Toitū Tahua is led by a group of independent business and civil society leaders. Founding Partners are ASB, ANZ, BNZ, HSBC, Westpac. IAG, Kainga Ora, New Zealand Super Fund, The Tindall Foundation and EY are Associate Partners.

Toitū Tahua convenes implementation groups to accelerate progress towards the 11 recommendations outlined in the SFF Roadmap. These are focused on: Inclusion and Equity; Governance and Leadership; Education and Capability; Standards, Guidelines and Value; Responsible and Impact Investing

Sustainable Agricultural Finance Initiative

The Sustainable Agriculture Finance Initiative (SAFI) was established by The Aotearoa Circle in 2021 to accelerate investment and support for sustainable agriculture in Aotearoa New Zealand. The initiative was led by a Steering Group from major banks – ANZ, ASB, BNZ, Westpac, and Rabobank – along with the Ministry for Primary Industries (MPI), with secretariat services provided by EY.

The Steering Group developed guidance for sustainable agriculture finance that takes note of emerging international frameworks as well as existing good farming practice standards used by Aotearoa New Zealand growers and farmers. In July 2021, the Phase One SAFI Guidance was released by the Circle. Toitū Tahua is collaborating with MPI on further development.

The role of private finance in an equitable net zero economy

Toitū Tahua is deploying a communications campaign on the role of private finance in an equitable net zero economy. As the initial activation, Toitū Tahua co-produced a high-profile webinar on the role of private finance in the race to net zero carbon emissions on United Nations Climate Change Conference (COP26) Finance Day, 4th November 2021.

Formation of the Aotearoa New Zealand Investor Coalition for Net Zero

Launched in October 2021, the Aotearoa New Zealand Investor

Coalition for Net Zero encourages asset owners and fund managers to reduce the emissions of their funds.

The Coalition is convened by Mindful Money, Toitū Tahua and the Investor Group on Climate Change (IGCC). The Coalition signposts learning opportunities and service providers to help with emissions reduction strategies and plans.

Toitū Tahua now has its own dedicated website. For further updates visit www.sustainablefinance.nz

Co-Chairs



Ross Pennington

Co-Chair of Sustainable Finance 2.0



Bridget Coates

Co-Chair of Sustainable Finance 2.0 and founding Chair of Toitū Tahua.



Secretariat

Toitū Tahua: Centre
for Sustainable
Finance
Board Members



Bridget Coates

Chair



Pip Best



John Duncan



Michele Embling



Fonteyn Moses-Te Kani



John McCarthy



Simone Robbers



David Tikao



Sir Stephen Tindall



David Woods



Seafood Sector Adaptation Strategy Update

Building on the 2020 Climate Scenario report, a programme of work began in May 2021 to develop a Seafood Sector Climate Adaptation Strategy, which was completed in December.

The Seafood Sector is already witnessing the effects of climate change. Looking ahead, climate-related risks and opportunities are likely to have far-reaching consequences for our marine environment, the wellbeing of our people and the long term sustainability of our businesses. In the course of developing the work, it was striking to observe the palpable sense of purpose felt across the sector, and the collective recognition of how much is at stake. Saying that, there was also the realisation that Oceans provide a vast opportunity for Aotearoa going forward.

Drawing together a Leadership Group comprising iwi/ Māori owned organisations, private and public businesses, government agencies, research institutions and NGOs, the development of the strategy was guided by two complementary methodologies: Theory for Change and Design Thinking.

The Leadership Group along with Advisory Group, developed a vision statement to provide a direction and purpose for the Strategy. The vision is for “a thriving marine environment, blue economy and seafood community”.

A guiding principle to apply mātauranga Māori (inclusive, collaborative and equitable) – waiho i te toipoto, kaua i te toiroa was also established.

The Seafood Sector Adaptation Strategy is focused on building resilience and taking action in response to climate-related risks and opportunities. Acknowledging that urgency is now required in the sector, the Strategy emphasised the need for more sector-level collaboration between iwi and commercial operators, regulators and scientists.

At the heart of the Strategy is an implementation Roadmap based on four goals of Bold Leadership, Resilient Prosperity, Practical Knowledge and Values-based Governance.

Implementing the Adaptation Strategy will be an essential step towards safeguarding the cultural, ecological, social and economic fabric of Aotearoa’s seafood sector in the face of rapid and uncertain change, and is now the next step. This will be a 2022 focus.

Co-Chairs



Maru Samuels



Dan Bolger



Secretariat

Seafood Sector Leadership Group



Maru Samuels

Co-Chair



Dan Bolger

Co-Chair



Todd Charteris



Livia Esterhazy



Andre Gargiulo



Gary Hooper



Volker Kuntzsch



John Morgan



Doug Paulin



Lisa Te Heu Heu



Low Carbon Energy Roadmap Update

Our world is changing rapidly. Climate change, environmental impact, pressure on our existing and aging infrastructure, economic inequality, and consumer vulnerability, all add up to the need for a new vision for our energy system.

A significant project for the Aotearoa Circle in 2021 was initiating the Low Carbon Energy Roadmap, a framework document designed to outline a pathway towards a just transition towards the government’s target of net zero carbon emissions by 2050.

The roadmap addresses the ‘energy trilemma’ – the critical relationship between energy affordability, security, and sustainability. It identifies and provides solutions for managing risks and opportunities for an evolving integrated energy system whilst also considering the role of diverse energy sources and changing technology of how consumers use and access energy.

The Roadmap is designed to inform Government thinking and decisions regarding emissions reductions, energy policy and future energy strategy. It will also go some way to proposing a structure for a national energy strategy, as recommended by the Climate Change Commission.

A diverse Leadership Group, co-chaired by

Bella Takiari-Brame and Chris Jewell, and a Technical Working Group were appointed in early 2021. The first phase of the project was to agree a methodology, core principles, objectives, and a vision for Aotearoa New Zealand’s energy future.

After several in-person and online hui, the Leadership Group agreed the vision:

Our energy system accelerates the transition to a net-zero future that supports the wellbeing of current and future generations and enables Aotearoa to thrive.

Working with EY energy experts, Angela Ogier and Matt Cowie, the project developed a scorecard to assess how our energy system is performing against the vision, objectives and He Ara Waiora, a framework that increases understanding of Māori perspective on wellbeing.

Within each objective, using existing data and case studies, the group identified topics and specific indicators that required the most action to meet the desired state of low carbon, affordable energy access, sustainability, and security of supply. Those actions were tested and categorised, following a survey of all participants, into four groups – Do Now (ināia tone nei), Plan (whakamahere), Monitor (tiro tiro), and Not a Priority (kaore he mea tuatahi).

The actions gave rise to a new set of ideas dubbed the ‘frontier

opportunities’, which are aspirational or visionary. They could be a natural development from one of the actions in the Roadmap and have the potential to create long term wellbeing and/or prosperity for Aotearoa New Zealand.

There has been broad and positive engagement in the project from a wide range of energy stakeholders.

At the time of this Review’s publication, the Low Carbon Energy Roadmap had been peer reviewed by 80 energy stakeholders. Their feedback is being assessed with a launch date of early March.

Co-Chairs



Bella Takiari-Brame



Chris Jewell



Secretariat

Energy Roadmap Leadership Group



Bella Takiari-Brame
Co-Chair



Chris Jewell
Co-Chair



Alison Andrew



Chris Bunny



Ewan Delany



Dr Will Edwards



Izzy Fenwick



Shane Gowan



Andrew Knight



Christiano Marantes



Jason McDonald



Linda Mulvihill



Susan Paterson



Jane Taylor



Belinda van Eyndhoven



Mana Kai Initiative Update

The Aotearoa New Zealand food system is at a crossroads and must accept sea changes are needed in our approach to growing, processing, and distributing our kai.

As a nation, we are a significant exporter of food – enough to feed 40 million people a year – and yet up to one in five New Zealanders are ‘food insecure’ in that they do not have access to affordable and healthy food.

In seeking to satisfy offshore market demand, earn income for our producers and recover significant investment, how do we make sure that increased production does not reach a level that is incompatible with sustainable outcomes?

These are the challenges of the National Food Roadmap Project, which became known as the Mana Kai Initiative in 2021 as it moved into a wide-ranging consultative phase.

Grounded in the principles of Te Tiriti o Waitangi and Te Ao Māori, a Mana Kai Framework was developed as the starting point for discussion.

Through the latter months of 2021, kōrero sessions were held by DNA Design with people from a diverse range of food system sectors: food insecurity, large scale food producers, food scientists, environmental scientists, seafood industry,

local government, transport, land users and educationalists to name a few.

A broad range of views of Aotearoa’s food system was evident, even within a group with a common background. Facilitators and Leadership Group members heard on one hand that our food system was thriving and providing prosperity for producers, and on the other that it was broken with embedded inequity. Some felt the food system was independent of social needs and issues, while others felt food affordability was a crisis that deserved urgent attention.

There was, however, general agreement for greater collaboration and acknowledgement of the environmental and social impact of the current state of our food system. The role and mahi of the Mana Kai Initiative is to find and articulate a nexus of shared values.

The kōrero sessions are now complete and Ian Proudfoot and Jack Keays of KPMG are synthesizing the insights into the draft National Food Roadmap, which will consist of a Values and Purpose Briefing, and a Roadmap of actions.

The draft Roadmap will be discussed at a proposed hui of the Leadership Group in February before dialogue data and initial conclusions are shared with key stakeholders and Aotearoa Circle partners in early March 2022.

Co-Chairs



Rangimarie Hunia
Chair



Matthew Prichard
Deputy Chair



Co-Secretariat



Co-Secretariat

Mana Kai Leadership Group



Rangmarie Hunia
Chair



Paul Harvey



Prof. Boyd Swinburn



Matthew Prichard
Deputy Chair



Rob Hewett



Dr. Jenny Webster-Brown



Emeline Afeaki-Mafile'o



Chris Kerr
(Replacing Grant Bryden)



Martin Workman



Angela Clifford



Tric Malcolm



Whaimutu Dewes



Lee-Ann Marsh

Thank you to our partners that made the progress this year possible

AGMARDT

Air New Zealand

ANZ

ASB Bank

Auckland Council

Bank of New Zealand

Beca

BRANZ

Callaghan Innovation

Cawthron Institute

Chapman Tripp

Contact Energy

Deloitte

Department of Conservation

DNA Design

EnviroNZ

EY

Fonterra

Genesis

Hobson Leavy

HSBC

IAG

Iwi Collective Partnership

Kainga Ora

KPMG

Land Information NZ

LIC

Local Government New Zealand

Manaaki Whenua

Mercury

Ministry of Business, Innovation and Employment

Ministry for the Environment

Ministry for Primary Industries

Ministry of Transport

Moana New Zealand

New Zealand Trade and Enterprise

Ngāti Whātua Ōrākei Whai Rawa Limited

NIWA

Norwood

Orion Energy

PwC

Rabobank

Ravensdown

RealNZ

Sanford

Sealord

Silver Fern Farms

Statistics New Zealand

Te Puni Kōkiri

Tourism New Zealand

Transpower

University of Auckland

Vector

Wakatu Incorporation

Westpac

Wunderman Thompson

The Aotearoa Circle 2021 Patrons & Board Members

Founder



Sir Rob Fenwick
KNZM, KStJ

Co-Patrons



Dame Patsy Reddy
Co-Patron
(Retired October 2021)



Sir Jonathon Porritt
Co-Patron, Co-Founder
Founder, Forum for the Future

Co-Chairs



Vicky Robertson
Co-Chair, Co-Founder
CEO, MfE



Volker Kuntzsch
Co-Chair
CEO, Cawthron Institute

Guardians



Laurissa Cooney
Independent Director - Air New Zealand,
Tourism Bay of Plenty, Goodman Property
Ltd and Ngā Tāngata Tiaki



Stephen England-Hall
CEO, RealNZ



Carolyn Tremain
CEO, MBIE



Jane Taylor
Barrister & Independent Director -
XRB, Silver Fern Farms, Orion Energy



Sir Chris Mace
Director, Heartland Group Holdings Ltd
(Retired December 2021)



Fraser Whineray
COO, Fonterra
(Retired December 2021)

2022 Guardian Appointments



Simon Limmer
CEO, Silver Fern Farms



David Carter
Executive Chair, Beca



Izzy Fenwick
Emerging Director
DNA, NEXT Fellow

The Aotearoa Circle Team



Vicki Watson
CEO



Izzy Fenwick
Director of Engagement
(Resigned November 2021)



Jessica Hopkins
Executive Assistant