

Annual Public Meeting 20/21 – Q&A

Question	Answer
<p>It was good to read in the annual report about The Foundation’s commitment to Te Tiriti, what are you doing to give effect to this?</p>	<ul style="list-style-type: none"> • An important step was taken in March 2021, when Trustees approved an update to our Trust Deed, to include a specific commitment to have regard to the principles of Te Tiriti o Waitangi in interpreting the Trust Deed and in performing our obligations under the Deed. This is a major milestone in our journey as an organisation. • When Trustees get appointed part of the process is also to ensure we have a number of Trustees who have an understanding of Te Tiriti o Waitangi, te ao Māori, tikanga Māori, te reo Māori and mātaurangi Māori. • Trustees have also approved a Te Tiriti o Waitangi Position Statement which expresses how the Foundation will operationalise the above commitments • The Statement is supported by a range of actions including development, reviewing our processes and procedures, and reporting back to the Board • The role of the Foundation’s Kaumātua and Trustees is to hold ourselves to account to getting these things delivered.
<p>What’s the Foundation’s approach to responsible investing?</p>	<ul style="list-style-type: none"> • As mentioned by our Chair and in the annual report, our investment portfolio has performed well in the past 12 months and is diversified across a range of countries and different asset, investment categories and classes. • The term Responsible Investing covers a number of possible topics – most frequently Responsible Investing is talked about under three headings known as ESG or Environment issues, Social, and Governance related matters. • It is something we have been proactive in debating, and we have written our approach into our Statement of Investment Performance Objectives, for example we were one of the first signatories to the UNPRI – in 2007/8. • We ask our asset consultant and investment managers to take these things into account when they decide to invest on our behalf. We also receive reporting on things such as Investment Managers ESG focus and the carbon footprint of parts of our portfolio from our advisors. I can report that we are trended in the right direction. • Things are changing and Trustees are in the process of reviewing our current approach

	<ul style="list-style-type: none"> • The range of things we are considering includes additional exclusions from the portfolio. For example excluding controversial weapons, fossil fuels, and gambling sectors. We are also looking at setting targets for carbon emission reduction across our portfolio, and for this to occur we will need consistent and appropriate reporting data • In terms of governance issues, we also ask our Investment Managers to be active in voting on resolutions that support ESG matters. • At the most proactive end of ESG you put impact first ahead of financial return. This is exactly what we are doing with the impact investment fund Te Pae Ki te rangi mentioned earlier in the Chair's report. • What you can expect therefore is that in the near future we will be refreshing our approach and together with JANA (our asset consultant) looking to put a plan in place to action it.
How often are grant decisions made?	<ul style="list-style-type: none"> • The Foundation's Board meets six times a year to make funding decisions, except in cases where a more rapid response is required eg. to make support available quickly to groups and organisations dealing with the immediate and emergent needs of communities as a result of COVID-19, Quick response grants or smaller community grants. In these cases decisions are progressed in a timely manner as possible to ensure we are as responsive as possible to our communities.
With regards to investing activities, are there any thoughts around including indigenous considerations / te Tiriti commitments when deciding what to invest in?	<ul style="list-style-type: none"> • Yes - We see ourselves as Kaitiaki of the pūtea which has been established for current and future generations and this is key to our decision making. • We are also currently reviewing the Responsible Investing approach and this includes looking at Indigenous models, our values and how these will be considered when investing.
What governance actions are you taking to address cybersecurity?	<ul style="list-style-type: none"> • Cybersecurity is a key risk highlighted in our governing risk documents. • It has been escalated as a risk during COVID due to remote working situations • We undertake an independent assessment of our controls and processed regularly and this entails a review of things which prevent access, detect intrusion and also how we would recover data and systems if a breach is successful. • Key to this more recently has been the increased in Phishing attacks which has prompted us to both increase our staff training as well as ensuring our systems are up to date. • It is however an ongoing threat to all businesses not just ours and we will need to keep investing in measures which mitigate the risk.

<p>What can the community do better collectively to assist Foundation North to secure more funding?</p>	<ul style="list-style-type: none">• Foundation North solely generates its income from its \$1.6B Investment portfolio.• The amount available for granting is determined by a spending policy and more recently a reserving policy. This has seen the Foundation in recent years grant around \$40M-\$50M each year• Although under our trust deed we are able to generate or receive additional income from alternative sources, we have not seen the need for this at this time as sufficient returns are being generated by the portfolio.• We do however see a role for Foundation North to bring together a range of funders in support of specific projects or kaupapa as the need arises. It is not uncommon for us to undertake joint funding projects with other philanthropic organisations and agencies.• The community can assist by highlighting and bringing to us joint funding ideas and initiatives.
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