



# Community investment: Money

## Overview

**This guidance document introduces the concepts of how money can be incorporated into a community investment (CI) strategy or programme and is meant for people within organisations involved with sustainability and community relationships. It is a starting point for Sustainable Business Council (SBC) members who are either beginning, redefining or progressing their CI and employee volunteering programmes.**

Te ao Māori is an inclusive and holistic view held by the indigenous people of Aotearoa New Zealand. Throughout the guide we aim to encourage you to consider perspectives of local mana whenua as histories, practices and traditions will differ between iwi, hapū and whānau. We recognise these differences and support the application of correct tikanga and kawa within the rohe your organisations operate within.

We acknowledge Te Tiriti o Waitangi/The Treaty of Waitangi as a key guiding document of importance in the context of business in Aotearoa, New Zealand as well as within the context of community investment. Partnership between Māori and the Crown is imperative to the success of both Māori and tangata Tiriti. It is important to acknowledge the complex history of Aotearoa, New Zealand and invite organisations to understand the ongoing mahi required to ensure Te Tiriti o Waitangi is respected and upheld throughout their operations.

While the guide includes te ao Māori views and mātauranga Māori, we highly recommend our members connect with local iwi and hapū to build meaningful relationships and to respectfully include the appropriate tikanga where and when required. The guide will encourage you and your organisation to lean into te ao Māori concepts, and we encourage curiosity and courage in your leadership to do the same.

This document aims to provide practical steps for designing and delivering money or financial-related community investment to create a comprehensive and impactful approach for activating the 'S' in ESG. It does this in a systematic and integrated way and so strengthens its connection to and augmentation of each element. There are some great consultancies and community agencies out there that support the work outlined within this document. This document was developed to provide an overview of the process and is not a substitute for utilising experts.

## The guiding principle – Koha

### 'Ko' – it is 'ha' – breath – It is breath

To provide koha is to provide breath into your community, your whānau, your employees and yourself.

Koha is commonly perceived as a gift, donation or the act of giving. Some organisations have budget specifically set aside for 'koha'. For the purpose of this guide, we can consider the above as examples of koha and encourage you to think about how it is also a way of breathing life into your community groups. Koha is a way of giving but also maintains relationships and is a practice that many indigenous groups engage in.



#### CASE STUDY

2024 Surfing for Farmers event in Sandy Bay (Northland), of which Fonterra is a local legend sponsor.

### Fonterra's Doing Good Fund

Fonterra's Doing Good Fund (formerly known as the 'grass roots fund') is well known in rural communities, donating over \$12 million to schools, iwi and community groups since 2012. The fund operates across ten regions where Fonterra has a significant presence through manufacturing sites and shareholder's dairy farms, to provide support for small community initiatives aligned with our three Doing Good Together pillars: providing good quality nutrition to those who need it most, protecting and restoring nature, and partnering to keep our rural communities resilient and thriving.

The fund is administered by regional committees made up of passionate Fonterra volunteers from our manufacturing sites and farmer engagement teams, who often say this involvement in local initiatives is an incredibly rewarding part of their role.

The versatility of a regional fund allows our committees to understand and respond to local needs. The fund offers modest contributions, such as financial support for community projects, and could range from contributing to catchment restoration projects or community health facilities to donating cheese hampers for fundraising events or providing volunteer resources for community projects.

"Employees across the Co-operative are invested in Doing Good in the communities that they live and work in. Our regional teams take a collaborative approach, building relationships that empower and enable community groups to create meaningful impact in their own unique way," says Fonterra's Social & Community Impact Manager Shaheen Junge.

Fonterra continues to be the largest employer of Fire and Emergency volunteers in New Zealand fulfilling an important role in rural communities. Other examples of where you will see Fonterra in the community include hosting BBQs and other events for community projects, planting trees with local schools, or supporting local food banks with dairy products.

Learn more about the fund [here](#).



## Key considerations for developing a community investment programme or initiative involving money

Corporate philanthropy has traditionally revolved around how much money a business ‘gives back’ to the community through charitable causes and agencies. The growing maturity of corporate sustainability has facilitated a far greater emphasis on a company’s overall socioeconomic impact in our communities.

For many businesses, donating money is one of the hardest and least sustainable ways to support the community, and as the focus on generating real impact increases, it is arguable that money alone will not achieve the desired impact or outcomes. However, money is an important component of CI, and the way it can be allocated goes well beyond just making donations.

Consider connecting with community groups, or representatives of those groups within your organisation (particularly if your target community is Māori or another minority group). Understanding the needs by listening to those groups is the best way to get it right the first time and avoid any misunderstandings. Many groups will want to realise their own rangatiratanga (self-determination and sovereignty) so giving them this voice early in your process helps do that. Remember to reward those team members who are giving expertise outside of their normal roles (whether that be financially, providing time in lieu, or access to training budget/programmes etc.).

### 1. Align contributions with core values and mission

- **Clarify the intent of the contributions:** Is it a pure donation or something requiring a return?
- **Identify key areas:** Focus on areas that align with your company’s core values and mission. This ensures that contributions are meaningful and resonate with your internal and external stakeholders. Ask the community organisations why they need the financial donation, what it will be used for and what the impact or change it aims to deliver will be.
- **Stakeholder engagement:** Involve stakeholders in identifying priority areas. This can include employees, customers, and community members.
- **Engage with tangata whenua:** As Tiriti (Treaty) partners, iwi and hapū should be involved in identifying priority areas regardless of your business operations (i.e. not only those who provide goods and services to Māori or pākihi Māori (Māori businesses). Establishing a partnership or relationship with iwi and hapū provides benefits not only to your organisation but also the wider community in which your organisation operates. Māori companies work hard to balance people, planet and profit by design. They do this by prioritising values through proactive guardianship of land and resources, building enduring relationships and caring for families and communities. If you are new to engaging with Māori organisations, there are services that can support or facilitate this. However, rangatira ki te rangatira (leader to leader) is a key value that is respectful when reaching out to these groups. Ensure your leadership is respectful and inviting.

### 2. Develop a strategic plan

- **Set clear objectives:** Define specific, measurable, achievable, relevant, and time-bound (SMART) goals for your financial contributions.
- **Budget allocation:** Allocate a dedicated budget for Corporate Social Responsibility activities, ensuring transparency and accountability.
- **Allocation systems and processes:** Engaging staff and key stakeholders in the allocation and distribution of funding increases engagement and transparency in the company’s contributions process. Corporate foundations, or similar, can provide numerous benefits by separating the company’s ‘philanthropy’ from core business.

### 3. Partner with reputable organisations

- **Due diligence:** Conduct thorough research to partner with reputable non-profits and NGOs. Ensure they have a track record of effective and ethical use of funds.
- **Long-term partnerships:** Build long-term relationships with partner organisations to create sustained impact. Consider multi-year funding agreements to give partner charities certainty of funding.
- **High trust, light touch:** Communities have plenty of experience and knowledge about what works and what doesn’t for them, so consider how your contribution can support, rather than determine, their aspirations and intentions. This is where an authentic relationship with members of the community can benefit, providing space where rangatiratanga is practiced.

#### 4. Diversify charitable contribution methods

Ensuring your organisation practices legally safe methods of contribution and koha is crucial. It is important to be transparent in your intention and methodology.

- **Direct donations:** Provide direct financial support to non-profits and community projects.
- **Grants and scholarships:** Establish grant programmes or scholarships to support education and innovation.
- **Matching gifts:** Implement matching gift programmes to encourage donations from employees, customers and suppliers to amplify their impact.
- **Sponsorships:** Sponsor events, programmes, or initiatives that align with your CSR goals.
- **Collections:** Support appeal events. These are often matched by a company donation.

#### 5. Integrate supply chain and social procurement practices

- **Ethical sourcing:** Support suppliers to adhere to ethical labour practices, environmental standards, and fair-trade principles. Building the capacity of suppliers supports the sustainability of their local economy and community.
- **Local procurement:** Prioritise sourcing from local suppliers, including local charities and social enterprises, to support local economies and local employment while reducing carbon footprints.
- **Supplier diversity:** Prioritise inclusion by sourcing from businesses owned and operated by people and communities from diverse background, beliefs and cultures.
- **Sustainable materials:** Opt for certified sustainable materials in your supply chain to minimise environmental impact.
- **Transparency and accountability:** Maintain transparency in supply chain practices and hold suppliers accountable for their CSR commitments.
- **Subscriptions and memberships:** Support charities and other non-profit agencies such as business associations by purchasing memberships and subscriptions for staff and the company.
- **Pakihi Māori:** Support Māori businesses by reaching out to organisations and channels that have access to a wide range of Māori businesses (Amotai, Puna Awarau, Whāriki) or creating a target to award work to Māori businesses. As part of your organisation's sustainability strategy, consider setting a target for services or goods supplied by Māori organisations and creating pathways for this.

#### 6. Understand the intersection of koha and bribery laws

When organisations engage in practices involving koha, it is essential to distinguish between culturally appropriate gifting and actions that could be interpreted as bribery under international laws. Key considerations include:

- **Transparency:** Koha should be transparent, and its purpose should be clear (i.e. it's a cultural gesture, not an inducement).
- **Proportionality:** The value of the koha should be appropriate to the context. Excessive gifts may raise concerns.
- **Intent:** The purpose of koha should align with tikanga Māori, not as a means to gain undue influence or favour.



## 7. Integrate cause-related marketing

As its name implies, cause-related marketing is the process of linking a social or environmental cause to a marketing campaign for a product or service. For instance, Mainland Cheese has a long-running campaign to support the Yellow Eyed Penguin Trust by donating a percentage of the proceeds from each unit sale.

- **Align with causes:** Integrate causes that align with your brand values and resonate with your target audience into marketing and communication campaigns.
- **Collaborate with non-profits:** Partner with non-profits to create joint marketing campaigns that promote both the cause and your brand.
- **Promotional campaigns:** Develop promotional campaigns where a portion of sales proceeds are donated to the chosen cause.
- **Customer engagement:** Engage customers by allowing them to participate in the cause, such as through donation matching or volunteering opportunities.
- **Transparency:** Clearly communicate the impact of the cause-related marketing efforts to build trust and credibility with your audience.

## 8. Monitor and evaluate impact

- **Comprehensive reporting:** Incorporate all forms of financial contribution and deployment in reports on the use of funds and the impact achieved.
- **Impact assessment:** Conduct independent assessments to evaluate the effectiveness of your contributions and identify areas for improvement. Ensure that reporting is balanced appropriately with the level of funding given so it is not too onerous on the NGO or NFP.

## 9. Communicate transparently

- **Relationship agreements:** There can be an inherent power imbalance to address between funders and fundseekers. Ensure the relationship agreement is mana-affirming to both parties, balanced, and written in plain English.
- **Partner reporting:** Work with your partners to ensure all parties have clear reporting responsibilities which are understood, shared, supported and adequately resourced across the partners (working to together to build necessary reporting skills and capabilities) and discussed when needed.
- **Public reporting:** Showcase your mahi online via your website, social media channels and annual sustainability reports, detailing financial contributions, partnerships, and outcomes.
- **Stakeholder updates:** Keep stakeholders informed through newsletters, social media, and other communication channels.

## 10. Foster employee involvement

- **Employee giving programmes:** Support and encourage employee giving through payroll deductions, in-house employee-led fundraisers and matched funding programmes.

## 11. Leverage tax benefits

- **Tax deductions:** Take advantage of tax deductions for charitable contributions to maximise the financial efficiency of your CSR efforts.
- **Consult experts:** Work with tax professionals to ensure compliance and optimise benefits.

# Conclusion

Incorporating financial contributions, supply chain, social procurement practices, and cause-related marketing into your CI strategy requires careful planning, strategic partnerships, and ongoing evaluation. Consider how your organisation utilises koha (including donation or financial contribution or procurement) and breathes life into your community groups. By following these best practices, companies can create meaningful and lasting socioeconomic impacts while enhancing their reputation and stakeholder relationships.