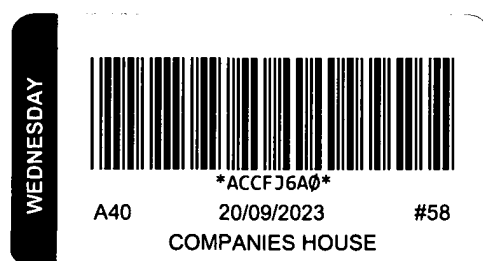


Company number: 2959712

Charity Number: 1040519

Forum for the Future

**Annual report and financial statements
for the year ended 31 December 2022**



Forum for the Future is an international non-profit with a purpose to accelerate the transformation toward a more just and regenerative future. We operate in four offices located in the UK, US, Singapore and India. This Annual Report gives an overview of our ongoing work with business, government and wider civil society, to influence deep and urgent transitions in how the world thinks about, produces, consumes and values both food and energy, and in the purpose of business in society and our economy.

Find out more about our work at forumforthefuture.org, thefuturescentre.org, or via LinkedIn and Twitter.

CONTENTS

Message from the Chair and Chief Executive	3
Trustees' report.....	5
Introduction.....	5
Overview - our mission	5
Objectives and activities	7
Summary of activities and achievements in 2022	9
1. Shaping the FOOD transition	9
2. Shaping the ENERGY transition.....	17
3. Shaping the PURPOSE OF BUSINESS IN SOCIETY AND THE ECONOMY	20
4. Reimagining the FUTURE	28
5. The SCHOOL OF SYSTEM CHANGE.....	31
Plans for the future	34
Financial review	35
Managing our environmental impact	37
Our people.....	39
Principal risks and uncertainties.....	41
Structure, governance and management.....	42
Statement of directors' responsibilities.....	44
Reference and administrative details	46
Our partners and funders	48
Independent auditor's report to the members of Forum for the Future	52
Financial statements.....	58
Notes to the financial statements for the year ended 31 December 2022	61

Message from the Chair and Chief Executive

2022: a new strategic direction begins

In 2022 uncertainty became the new normal. Soaring inflation, continued extreme weather events and the onset of war in Ukraine were among the many shocks to our systems — each changing how we live and work and highlighting the critical need to act with greater ambition and urgency if we are to create a world in which people and planet thrive.

Against this backdrop, Forum for the Future finalised and launched its new 2023-2025 strategy, focusing our efforts on three transitions already in-play with game-changing potential to transform the way the world works: food, energy, and the purpose of business.

By focusing on these areas internationally, we can act faster and go further to help create not only a more sustainable world, but a just and regenerative one. Over the next three years, we will work with wide-ranging partners and influencers to develop compelling visions of the future, diagnose today's barriers and opportunities, and co-create a path between the two. We will create diverse spaces for all participants, especially those lesser heard, to connect and collaborate and, along the way, we will constantly seek to build people's capacity to think and act systemically.

Our work in food will focus on scaling regenerative agriculture in the UK and India, building on the success of our *Growing our Future* programme in the US (see page 11). It's here we are working collaboratively across the agriculture system to look at how we can create a food system that balances health and nutritional outcomes with restoration of the ecosystems and farming livelihoods on which we all depend. In Southeast Asia, we plan to deepen the focus on a just and regenerative transition for food through *Protein Challenge Southeast Asia* where we are supporting a transition to a future-fit protein system (see page 15). Other priorities include work to reconfigure value chains so that they are socially just, decarbonised, regenerative, and resilient in the face of disruption and discontinuity, and to reimagine and reshape production landscapes to ensure that we make best use of the land available to serve the global population.

Our work in energy focuses on creating a system that is radically decarbonised and resilient, that depends wholly on renewables and / or other carbon-neutral sources, actively engages those who produce, trade and consume energy in the sector's development, and which prioritises universal access to energy that is affordable, ecologically safe and rights-respecting. To do this, we will continue to drive the *Responsible Energy Initiative (REI)* in India (and scope it out in Southeast Asia), work with communities to reimagine the purpose of the energy system, seek out more sustainable ways to produce and deploy renewable energy, and then shape the transition pathways needed to drive change (see page 19).

Our work to transform the purpose of business will build on our ground breaking *Business Transformation Compass* report, which launched in 2021 and calls on businesses to put just and regenerative principles at the heart of why and how they operate. Building on a long track-record of partnering with ambitious companies, we plan to: inspire visionary leadership so that action is commensurate with the scale of the challenge; rethink the value chains that get our products from farm to fork, crop to clothing; and transform the way goods and services are consumed. We will also step back and look at the bigger picture, working with key influencers to create the enabling conditions for transformational rather than incremental change. Our work on the *Climate and Health Coalition* is just one example of where we're getting traction.

As a non-profit, we continue to diversify our funding and 2022 brought some significant successes in growing our income, with large philanthropic grants awarded to support *Growing our Future* in the US, *REI* in India, and our first core grant to support our work in Southeast Asia. We have also seen notable successes in our fee-for-service income, including partnering with ALDI SÜD to transform its strategy and purpose. We will continue to build our financial resilience so that we can fully realise the potential of our strategy.

Elsewhere, we continue to deepen our commitment to Equity, Diversity and Inclusion (ED&I) with: every team member focusing one of their key objectives on this; ongoing work to increase the diversity of our leadership team and Board of Trustees; trialling different ways of embedding ED&I within our programmes — in particular, supporting the voices of the marginalised within our multi-stakeholder collaborations and ensuring our marketing and communications efforts provide a platform for lesser heard voices.

None of this would be possible without the invaluable support from our trusted partners and supporters across business, government and civil society, as well as our dedicated Board of Trustees who give generously of their time. As always, a heartfelt thank you from all at Forum. We firmly believe our new strategy provides us with a laser focus through what will remain turbulent times. We have no doubt that Forum's unique blend of applied futures and systems-wide thinking — applied specifically to the transitions in food, energy and the purpose of business — is even more relevant and needed than ever.

Rita Clifton CBE

Dr Sally Uren OBE

Chair, Forum for the Future
June, 2023

Chief Executive, Forum for the Future
June, 2023

Trustees' report

Introduction

The Trustees, who act as directors for the purposes of company law, present their report and audited financial statements for the year ended 31 December 2022, which have been prepared in accordance with the requirements of a directors' report, as required under company law, the Memorandum and Articles of Association and the Statement of Recommended Practice: Accounting and Reporting by Charities, the SORP applicable to charities preparing their accounts in accordance with FRS 102. This report incorporates the Companies Act 2006 strategic report requirements.

Overview - our mission

Forum for the Future's mission is to accelerate the shift towards a **just and regenerative future** in which both people and the planet thrive.

What is a 'just and regenerative' future?

A future in which:

1. **We have transformed our understanding of the relationships between the economy, society and the planet.** This means recognising that humans, and the economy and society we have created, are part of — not separate from — nature.
2. **We enable the capacity of all living beings to thrive.** It's here the universal rights of all living beings are respected, and where our social and environmental systems are resilient, with the capacity to adapt to future challenges.
3. **What we count as success and value has been redefined** — in particular, the economy now creates and distributes value fairly, with economic models that prioritise human wellbeing and ecosystem health.

To do this, we are focused on shaping **three critical transitions** already in play and with game-changing potential to tackle our intensifying social, environmental and economic challenges:

1. **How we think about, produce, consume and value food:** how can we shape a deep and urgent transition for our food system to fulfil the needs of diets, livelihoods and land, while fundamentally resetting the system's goals?

2. **How we think about, produce, consume and value energy:** how can we accelerate a rapid transition to renewable energy that is ecologically safe, socially just and shifts the goals of the energy production system?
3. **The purpose of business:** how can we transform the purpose of business in society and our economy, so that businesses help shift the goals of the market system in ways that enable a socially just and regenerative world?

How we work

Since our creation in 1996, Forum has built a strong reputation as a trusted and independent convenor working alongside changemakers to create real, lasting change in the way the world works. Together, we:

- Co-create compelling **visions of the future**. Creating a better future starts with imagining what it could really look like and identifying what of many potential scenarios is our preferred one.
- Diagnose **today's barriers and opportunities**. What is holding us back from realising our preferred future and what could propel us forward?
- Co-create **a path between the two**. It's here we create transformational strategies that help focus efforts and resources on the areas that matter most.
- Create **spaces for diverse actors** — including lesser-heard voices — to connect and collaborate on shared challenges. The issues we face are bigger than any one actor working alone; tackling them will mean cross-sector innovation and experimentation, and being open and honest about where we're succeeding, failing and learning.
- Build capacity to **think and act systemically**. Systemic issues require systemic solutions capable of tackling root causes. Anything incremental and/or short-term will no longer cut it and arguably never has. It's here we encourage partners to see the interconnections between the world's challenges and develop solutions capable of tackling multiple issues simultaneously.

We do this from offices in London, New York, Singapore and Mumbai.

Objectives and activities

Summary of memorandum and articles of association

As a charity, Forum for the Future is required to operate in line with its memorandum and articles of association and to demonstrate public benefit from its activities. This section sets out how it fulfils that duty.

Public benefit

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of Forum and planning its future activities. The Trustees confirm that they have complied with the duty in section four of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission in determining how planned activities will contribute to the aims and objectives that have been set.

Forum for the Future in the UK is a registered educational and sustainable development charity, and a company limited by guarantee and not having share capital. Its governing documents are the Memorandum and Articles of Association. Its charitable objects are to:

Advance the education of the public in economic and social studies as they relate to individuals, communities, society at large and the planet as a whole, with special reference to their interrelationship with ecology, the natural world, health, technology, agriculture, sustainable development, philosophy and psychology.

Promote sustainable development for the benefit of the public by the:

- preservation, conservation and protection of the environment and the prudent use of natural resources;
- relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities;
- promotion of sustainable means of achieving economic growth and regeneration.

Forum's work provides direct public benefit by catalysing solutions to complex global challenges. This happens through our collaborative projects which bring together stakeholders from different sectors to discuss strategic responses to challenges, as well as to develop common methodologies and approaches.

We also work with organisations in the private and public sectors to help them provide public benefit, by putting sustainability at the heart of their strategies and developing products and services that are

environmentally sound, economically viable and socially just. And we educate people to make those changes, improving capacity for the organisations they deal with to provide public benefit.

Forum also aims to benefit the public by providing information about the path to a sustainable future. We communicate widely about our work through free events, free publications, our website, our annual *Future of Sustainability* report, and our digital Futures Centre platform, where we build communities and discussions to accelerate change. Here, we share 'sensemaking' analysis and signals of change sourced through our projects, resources that we recommend, and thoroughly researched and referenced futures trends. We also strive for coverage of our projects in media across the globe as another way of sharing our work and influencing the sustainability narrative.

Forum has continued to deliver against these charitable objects in 2022.

Summary of activities and achievements in 2022

Forum is working with its partners, funders and collaborators to influence three potentially game-changing transitions: how we think about, produce, consume and value both **food** and **energy**, and how we transform the **purpose of business** in society and our economy. As part of this, we are helping to **reimagine the future** while also building the capacity for **systems change** for sustainability. Here, we summarise 2022 activities for these five key areas.

1. Shaping the FOOD transition

Food is at the heart of many of the world's environmental, social and economic challenges. The issues — from soil health to public health and how to sustain a growing global population on finite resources — are complex and cannot be solved in isolation. As it stands, the way we produce, consume and value food is pushing the planet, and its systems on which we rely, beyond their limits.

So how do we ensure we produce enough safe, nutritious and affordable food for everyone in sustainable ways? We call this *sustainable nutrition* — an approach to food production that optimises health and nutritional outcomes while restoring the key ecosystems and farming livelihoods on which we depend.

The world is responding to the need for sustainable nutrition. We're seeing new products on our shelves and the explosion of plant-based eating, with value chains being reimaged with equity and fair trade at their heart. We're seeing new investments and innovation, every day. Regenerative agriculture is entering the mainstream. This all makes for a promising transition, but is it really adding up?

A vision for the future of food

The food system is at a pivotal crossroads. Its transition will either be deep, deliberate and urgent — tackling the root causes of human malnutrition and environmental and social degradation — or it will fall short, with 'solutions' addressing specific problems in isolation but failing to maintain momentum.

At Forum, we believe we need a socially just and ecologically safe shift to a food system fit for a radically different future. A food system that optimises for people and the planet, balancing health and nutritional outcomes with restoration of the ecosystems and farming livelihoods on which we all depend.

This must be underpinned by both climate mitigation and adaptation practices, with a focus on mainstreaming regenerative agriculture, enhancing resilience and transforming the supply chains that deliver key commodities from plant to plate, crop to cup, farm to fork.

So where is Forum focusing?

By 2030, we aim to have enabled a systemic, urgent transition in our food system to fulfil the needs of diets, livelihoods and land.

To do this, we are focused on five areas (or 'leverage points') where we believe our skills, expertise and experience can make a real difference:

1. **Unlocking barriers in the transition to regenerative agriculture.** Agricultural techniques need to put back more than they take out, restoring the very soil, ecosystems and communities they depend on. The answer isn't something new; it's something old and central to our existence on the planet: regenerative agriculture. It's been around for centuries, now it's time to make it mainstream.
2. **Reframing food narratives.** The way we think and therefore act in our food system must explicitly centre people — from an individual level (such as one farmer's right to a livelihood resilient to climate change) to whole populations (everyone's need for a healthy diet).
3. **Reconfiguring value chains** so that they are socially just, decarbonised, regenerative, and resilient in the face of disruption and discontinuity.
4. **Reframing the purpose of business in the food system.** Why and how can businesses step up in driving healthy, affordable, sustainable diets that don't cost the earth?
5. **Reimagining and reshaping production landscapes.** As our global population booms, we need to talk about land. How can we best use what will become (if it isn't already) one of the world's most sought-after 'commodities' so that it is future-fit?

PROGRAMME HIGHLIGHTS

1. Regenerative agriculture in the US, UK and India

In 2017, Forum's Catalyst Fund donors enabled us to understand the landscape and levers for scaling regenerative agriculture. This seed funding leveraged investments of over £2M in the UK and the US to launch *Growing our Future*, an international multi-stakeholder collaboration to accelerate adoption of regenerative farming. A programme is also in development in India, with work beginning in 2023.

Growing our Future US

Agriculture is responsible for 8-10% of US greenhouse gas emissions and contributes to social inequality across supply chains. As agriculture transforms, we have an opportunity to collaboratively address intersecting social and ecological challenges.

Growing our Future US brings stakeholders together to ensure that the transition to regenerative systems shifts the goals of our agriculture system by moving from an extractive to a regenerative paradigm that strengthens soil and ecosystem health, increases access to healthy food and advances social justice.

In 2020, these stakeholders identified key leverage points for scaling regenerative agriculture. Since 2021, the initiative has taken practical steps to catalyse a transition to a just and regenerative system through innovations in four critical areas: financing farmers' transitions, shifting agricultural policy, integrating social outcomes into standards and certifications, and exploring pathways to market for regenerative value networks to proliferate. Additionally, through conference panels, thought leadership, storytelling (such as our exclusive content series, *The Frontline of Indigenous Agriculture*, below), webinars and publications, *Growing our Future US* is working to raise the profile of regenerative practices and ultimately shift the mainstream narrative around regenerative agriculture to be bolder, more ambitious, nuanced, and holistic.

The programme's community comprises over 135 participants, including representatives of Indigenous, Black and Latine farm and farmworker coalitions, value chain actors such as agribusiness, manufacturers, brands and retailers, food service providers, and partners from the finance, philanthropic, civil society and public sectors.

Growing our Future UK

While UK businesses have the potential for pioneering practice in reshaping the food and agriculture system, there is a long way to go. There is also a need for more collaboration across the sector, including between those who might not usually work together.

Forum is responding to these needs by catalysing cross-sector action in three ways:

- Demonstrating how mainstream retailers can create enabling conditions, including supply chain and procurement practices, for a shift to regenerative agriculture.

Forum is facilitating a 2019-2023 pilot project with retailer, M&S (Marks & Spencer) in partnership with Soil Capital, to develop and undertake work to understand the barriers and opportunities around adoption of regenerative farming practices in British potato production, and how M&S can support change. This has happened through benchmarking of both financial and environmental data as well as peer learning. The work is now supporting broader changes at M&S to support their

farmers to transition to low impact farming, including via certification, on-farm advisor support and funding of 'Indicator and Innovation Farms'.

- Enabling new collaborative projects in priority areas for the transition to regenerative agriculture (for example, how to reward farmers for making changes to their productive land).
- An innovation sprint on how to support and scale more diverse products and new routes to market for regeneratively-produced products (for example, direct-to-consumer).

Our focus in 2022 was on relationship and partnership building with the stakeholders critical for change, including procurement, innovation, sustainability and strategy teams in food retailers; diverse suppliers; farmers in retailer value chains; food, farming and climate NGOs; policy makers; as well as regionalised food networks, direct-to-consumer marketers, and innovators in other countries such as the US.

Exclusive Series Exploring *the Frontline of Indigenous Agriculture*



"The window of planting is getting narrow, because things are getting colder and they're getting hotter. And so it's kind of a dual hit. We're just trying to figure out how to adapt and move forward on this."



"[Progress] starts with restoring land and relationships with Indigenous communities as caretakers."



"We're taking time to honor the land. And then [the land] is letting us know it liked it. It's going to give us a healthier yield. It's going to help us with climate change issues."

As regenerative approaches gain momentum in the US, there's huge potential to tackle complex environmental and social challenges.

But how do we ensure that the transition to a just and regenerative food and agriculture system respects and embodies the Indigenous roots of practices, and allows both people and the planet to flourish long-term?

In an exclusive case study series, ***The Frontline of Indigenous Agriculture***, we meet Michael Kotutwa Johnson (above left), Katy Bresette and Jerry Jondreau (above), and Spring Alaska Schreiner (left), four Indigenous agriculturists sharing their insights from the frontline.

[Read their stories.](#)

2. Reframing food narratives and moving towards an industry commitment on salmon feed

Salmon aquaculture is the fastest-growing food-production sector in the world. With continued growth forecast, the market is extremely competitive both in relation to farming and feed production, so it is vital sustainability sits at the heart.

Feed accounts for up to 90% of the environmental impact associated with salmon production, yet there are few fora for the whole salmon supply chain to come together and address the shared challenge of reducing Scope 3 emissions.

That's why, commissioned by **WWF** as part of its partnership with retailer **Tesco**, Forum independently facilitated an 'Action Sprint' — a concerted inquiry built around desktop research, interviews and workshops — to assess the feasibility of moving towards a shared industry-wide commitment on key 'issue areas' of sustainable salmon feed in Europe, from novel ingredients and traceability to human rights, deforestation and carbon. Our exploration also unearthed the prevalent mindsets operating in the salmon industry right now, and what that might mean for a way forward.

Among our findings were four 'design principles' for sustainable salmon feed and a 10-point Action Plan for the salmon sector to undertake.

Forum's focus on salmon is because it is seen as the leader in aquaculture innovation. It is the fastest growing of the aquaculture industries and uses the majority of the world's fish oil. There is an accepted wisdom that if you lead with the salmon market, others such as shrimp and trout will follow, meaning transformational differences made in salmon feed can be a game-changer.

3. Exploring the future of sustainable nutrition with Bord Bia

Combining our unique blend of expertise in both futures thinking and food, Forum partnered with the Irish Food Board, **Bord Bia**, to explore the 'big picture future' of sustainable nutrition.

In support of **Bord Bia**'s purpose to bring Ireland's food, drink and horticulture products to the world, thus enabling the growth and sustainability of its producers, we undertook a research and analysis process to identify: the most important trends shaping sustainable nutrition right now; what scenarios might exist in five to seven years' time; opportunities and potential areas of action that could strengthen and future proof the Irish Food and Drink Industry.

As part of this, we considered what narratives exist in sustainable nutrition, with a focus on what stories are being told and why. We also considered how we might reframe these narratives to centre not only the need for a more sustainable future, but a future built on socially just and ecologically regenerative principles. Reframing narratives in turn helps us influence mindsets and what action is or isn't taken.

The insights have been used internally to inspire **Bord Bia** to be visionary in its leadership of the Irish food and beverage industry, and clear on its role and potential in enabling broad systemic change. **Bord Bia** will be using the futures insights in the short-term to set its strategic priorities and in the long-term, inspire client companies to shift mindsets and drive systemic change across the whole of the Irish food and beverage industry.

"We believe this study will be really valuable in helping to shape Bord Bia's thinking around food futures and systems thinking and we look forward to using this work to support the food and drinks industry in the development of new opportunities that help drive the sustainable nutrition agenda forward." - Grace Binchy, Insights & Trends Specialist, Bord Bia

4. Exploring transformative ways to change the protein system through *Protein Challenge Southeast Asia*

Following the launch of the 'Case for Action' report in 2021, 2022 saw the consolidation of the *Protein Challenge Southeast Asia* programme. The initiative focuses on equipping and enabling a cohort of 'protein visionaries' to take systems change approaches in stewarding a just and regenerative protein system across Southeast Asia.

In 2022 Forum delivered the programme's first 'Action Sprint' – an interactive, timebound activity designed to inject new thinking and inspire action towards reconfiguring and transitioning our current food system to one that is future-fit and resilient. This brought together diverse actors from across the protein value chain to look at challenges through a future-focused lens and explore transformative ways to change the protein system. 36 interviews were conducted with individuals working across the value chain, before the Sprint was delivered through an online session and two in-person workshops.

The Action Sprint gave us the following insights:

- Shifting from a 'sustainability' approach to a 'regenerative' approach is required in designing protein innovations. Integral to this was establishing a common understanding of what 'just and regenerative' meant in the context of the food system.
- A siloed approach to problem-solving risks unintended consequences and may lead to blind spots in solution-building. In the case of addressing food security, models based on assumptions of 'scarcity' result in protectionist policies instead of strategies that create shared outcomes benefitting the whole system.

- Innovation must move beyond solving solely for food security and emissions reduction, as it can result in incentivising behaviours that exacerbate current problems — for example, increasing the use of pesticides to increase crop yields, but in doing so risking human health and damaging the environment.
- As enabling actors, regulators and financiers play a vital role in food and protein system transition. They are key in supporting innovation in the food system and have the power to support norms and behaviours within the value chain.

The Action Sprint has set us up to focus on investors and financing models in a second Action Sprint to be delivered in 2023. This will bring together investors to address the barriers to putting social justice and ecological safety at the forefront of funding decisions. Through a series of roundtable discussions, we seek to enable financial actors to take a systems approach to problem solving, embrace their roles as stewards within the food system, and act as active change agents to ensure investments are channelled into areas that support deep transformational change.

2. Shaping the ENERGY transition

It's hard to imagine sustaining how we live and work without energy. For most people, it's an essential part of everyday life that we can often take for granted.

But right now, our energy system continues to rely on the burning of fossil fuels, emitting huge amounts of greenhouse gases that are radically warming and destabilising our climate. We're seeing more extreme weather events. Rain patterns are changing and sea levels are rising.

Beyond these impacts on our climate, millions of people around the world are denied affordable access to sufficient and sustainable energy. The global energy market is increasingly reeling from shocks, with huge societal and economic consequences. And as old sectors make way for new — not least the shift from coal, oil and gas to renewables — we run the risk of millions being left behind.

Simply put, we need to rapidly transition from an energy system that has for too long prioritised centralised, mass access to primarily fossil fuel-based energy to one that is fit-for-purpose in the 21st century.

Promisingly, the world is responding — from the large-scale deployment of renewables like wind and solar and exciting innovations in battery storage and grid flexibility to the emergence of new business models that are fair to consumers and communities.

All are reasons to hope, but are the changes we're seeing today really enough?

The energy system is at a pivotal crossroads. Its transition will either be deep, deliberate and urgent, tackling the root causes of the challenges we face in producing and using energy.

Or it will fall short, with 'solutions' addressing specific problems in isolation, going neither far enough nor fast enough, while simultaneously risking unintended consequences. We cannot retain a concerted focus on deploying renewable technologies while failing to tackle human rights abuses in supply chains; nor should we simply tweak regulatory, market and business models that regularly fail to deliver affordable, sustainable energy to many people around the world.

A vision for the future of energy

Forum's vision is an energy system that is: radically decarbonised and resilient in a rapidly changing world; depends wholly on renewables and/or other carbon-neutral sources; actively engages those who produce, trade and consume energy in the sector's development; and prioritises universal energy access by providing affordable, reliable, ecologically safe and human-rights respecting energy.

So where is Forum focusing?

By 2030, we want to have enabled a socially just and ecologically safe transition to a renewable energy system that works for people and the planet.

To do this, we are focused on three areas where we believe our skills, expertise and experience can make a real difference:

1. Working with people across a spectrum of markets and sectors (including developers, financiers and civil society) on ensuring the **production and deployment of safe and just renewables**.
2. **Reimagining the purpose** of a future-fit energy system. If the energy industry is to *genuinely* reflect and serve the needs and expectations of citizens and communities, what needs to change?
3. Enabling energy actors to **shape the role of transition fuels and so-called transition solutions**: whether and how to develop them as part of long-term decarbonisation, and how to exit in ways that serve long-term just and regenerative goals.

PROGRAMME HIGHLIGHTS

1. Defining conditions for success for Bioenergy with Carbon Capture and Storage

In November, an independent High Level Panel convened by Forum released a new report outlining 30 conditions that must be met if further investment in Bioenergy with Carbon Capture and Storage (BECCS) is to deliver positive outcomes for society, climate and the economy.

The *BECCS Done Well* report recognises the findings of the IPCC, which states in its latest report that a range of Carbon Dioxide Removal Technologies — both nature- and technology-based — are unavoidable if we are to achieve net-zero greenhouse gas emissions. As part of this mix, BECCS is projected to expand significantly in the next 30 years, yet continues to stir debate, with the sustainability movement divided on its viability and sustainability credentials.

The report is a concerted effort to move this debate forward and was the product of an independent Inquiry commissioned by energy company **Drax**. It shifts the debate from '*BECCS: good or bad?*' towards a much more nuanced distillation of what conditions need to be satisfied for BECCS to deliver positive outcomes for people, planet and the economy. Based on extensive research, literature reviews and witness testimony, the report concludes that BECCS can be 'done well' subject to the 30 conditions outlined.

The work forms part of our thinking on transition pathways in the energy value chain and how we can enable actors to focus their attention on the areas that matter most.

2. Safe and just renewables in India

The rapid rise of renewable energy (RE) is critical in the transition to a low carbon economy, with potential to dramatically cut greenhouse gas emissions, expand access to affordable, clean energy for all, create decent jobs and help society thrive. However, this comes with multiple risks from land and labour rights to toxic waste to the unsustainable use of raw materials. The *Responsible Energy Initiative* works with the RE sector to adopt business models and shape value chains that keep justice, equity, universal rights and resilient ecological systems at their core — thereby contributing to a just energy transition.

One year on from its May 2021 launch, the *Responsible Energy Initiative (REI) India* published its 'Vision and Principles for a responsible renewable energy (RE) system' report. This was the result of more than 25 leading stakeholders in India's RE system — from investors, developers and manufacturers to buyers, industry associations and think tanks — coming together to co-develop their systemic, ambitious and pioneering vision for the value that RE can create beyond mitigating climate change, and the guiding principles to realise this vision. Forum, together with eight expert collaborators, is working to support the stakeholders to now put those principles into action through a series of mutually reinforcing catalytic projects.

3. Scoping REI's expansion in Southeast Asia

2022 saw us define the Philippines as the second country in which *REI* will operate in a move that will see the coalition's expansion well beyond India.

The Southeast Asia region is home to some of the fastest growing economies in the world. With young and expanding populations, energy demand is expected to grow strongly in the coming decade, likely oustripping current supply. However, there is also a relative dearth of policy or market incentives to encourage accountability on the part of key stakeholders in addressing adverse ecological and social impacts. This runs the risk of a shallow energy transition that locks-in business and investment models that make either deliberate or unintended trade-offs around ecological safety, human rights, equity, versus growth priorities.

The Philippines sits at an inflection point in its RE policy environment: the dynamism of its energy sector, robust civil society and strong political drive create the optimal conditions for *REI* to have a strong impact. Stage 1 of *REI Philippines* is now established, with a focus on building a consortium of partners to develop and deliver the Inquiry. A 'Call to Action' of the sector is planned for 2023.

3. Shaping the PURPOSE OF BUSINESS IN SOCIETY AND THE ECONOMY

Business leadership and innovation has become critical in determining whether we will be successful in creating a just and regenerative future in which both people and the planet can thrive.

Yet conventional 'sustainability' strategies and tick-box approaches to ESG are falling short of the systemic and urgent transformation needed.

Ahead of government and the media, businesses are the most trusted institution right now - with around 80% of people looking to them to solve our global challenges. Some trailblazing businesses have grasped the scale of this and are responding with pace and vision. But will others wake up fast enough to the need for a radical shift in their purpose?

The opportunity: a business reset

Forum was founded in 1996 on the belief that businesses can be a force for good. Today, we're doubling down on that belief.

Progress has been promising, but it's not yet adding up. A narrow focus on short-term profit maximisation is putting the longer-term viability and prosperity of our planet, our society and so businesses themselves at risk. There are countless examples of sustainability 'solutions' — from slightly more sustainable products and sustainable innovations to ESG ratings — but most actually fail to tackle the root causes of the issues they aim to resolve, while reinforcing the status quo and legitimising dangerous inaction and delay.

It's time for businesses to reset. 'Doing less harm' or even being slightly 'net positive' will no longer be enough. What's needed is a wholesale transformation.

And that starts with asking a very fundamental question: what is the purpose of business in our society and economy?

Our vision: just and regenerative business advocating for people and planet

At Forum, we're challenging norms. We believe mainstream expectations about the purpose of business in society and the economy must fundamentally change. Profiting from the exploitation of our planet and its people must become unacceptable, while caring for the long-term health of the people and places that a company impacts, must become the expected norm. We call this a just and regenerative mindset and believe it should be at the heart of running any business.

First, this means a business transforming its own direct operations. This spans both 'softer' elements such as leadership, culture and communication and 'harder,' more tangible aspects such as structure, strategy and the policies and criteria used to guide decision-making and budgeting.

It's then about indirect impacts and sphere of control. Businesses should look across entire value chains for opportunities to innovate - from procurement policies and supporting supplier resilience, to finding new ways of enabling customers to enjoy healthier, happier and more sustainable lifestyles.

Lastly, it's about sphere of influence; a business looking beyond its value chain to the wider operating context. How can business transparency and accountability mechanisms be designed to create transformational rather than incremental change? How can business influence our international financial architecture to evolve so that our economy promotes, not hinders, sustainability efforts? What are the key advocacy asks businesses should be making of policymakers to enable a level playing field of strong and fair regulation that supports sustainability?

Why this matters

Underpinning all of this is the need to reimagine **how the economy works**. Business can and must play an active role in accelerating a shift from an economic system built on extraction, exploitation and short-termism to one that prioritises the health and wellbeing of everyone and the planet we depend upon.

The private sector will be a decisive factor in whether or not this shift is even possible.

So where is Forum focusing?

By 2030, we aim to have contributed towards a decisive shift away from short-term profit maximisation, toward business as a driver of long-term prosperity and wellbeing for people and planet.

To do this, we are focused on four areas where we believe our skills, expertise and experience can make a real difference:

- 1. Inspiring visionary leadership** This involves supporting ambitious businesses to adopt a just and regenerative mindset, define their changemaking purpose and understand what's needed to truly embed, live and deliver purpose-led change.
- 2. Rethinking value chains** The 2020s are calling for a shift from just focusing on cost and efficiency to creating and distributing value more equitably, within planetary boundaries and in ways that restore ecosystem health. So, what could fit-for-the-future value chain models look like?

3. **Transforming consumption** Endless growth in resource consumption on a finite planet is simply untenable and there's an urgent need to reimagine how and why we consume goods and services. How can we all enjoy a good life that meets our needs and ensures our wellbeing within planetary boundaries?
4. **Creating an enabling context** How can both business and non-business actors such as investors, accountability institutions and civil society shape an enabling context that supports business transformation, rather than locking in the status quo?

PROGRAMME HIGHLIGHTS

1. Inspiring visionary and future-fit, strategic leadership

For years, Forum has partnered with multinational beverage company **Diageo**, helping to create its ambitious *Society 2030 Strategy*, which (among other goals) has now seen the company commit to creating the “world’s first” net zero glass bottles at scale by 2030. Teaming up with glass manufacturer **Encirc**, **Diageo**’s bottles will be produced by a furnace powered by electricity and low-carbon hydrogen, which, when fully operational by 2027, will help reduce its Scope 3 carbon emissions.

During the strategy’s development, Forum emphasised the importance of embracing innovation gaps rather than being held back by doubts around *how* to achieve commitments — in turn, enabling breakthrough developments. This reflects an ambition to develop future-fit goals commensurate with the scale of the challenge, which aim for deep, structural change, and ultimately make transformative choices easier both within the business and for consumers.

Elsewhere, Forum worked with leading businesses such as **Sky Group** and **Ingka Group (IKEA retail)** to use our *Business Transformation Compass* to enable them to integrate a just and regenerative approach into their strategies.

2. Cotton 2040: shaping a sustainable and fair cotton industry

Launched in 2017, *Cotton 2040* aims to create and advocate for a cotton sector which is resilient in a changing climate; uses business models that reward and incentivise regenerative and socially just practices; and where sustainably produced cotton is the norm.

In 2022, *Cotton 2040* worked with over 100 participants in nearly 90 organisations in Africa, South and Southeast Asia, the UK and Europe and the Americas, including cotton value chain actors, those offering finance, standards, research, civil society and public sector changemakers. Key areas of focus included:

Climate resilience

Brands and retailers have the potential to be the biggest levers for change in climate adaptation. In 2022 our “Insights to Action” masterclasses supported over 250 apparel value chain actors in India, Europe and the US to bridge the knowledge gap in how to develop and implement climate adaptation strategies. Participants had a high level of seniority, including c-suite level professionals, and sustainability and procurement managers. Alongside experts from WTW (a global insurance and professional services provider and a technical partner in Cotton 2040), we covered key issues including transition and decarbonisation risk, commodities and supply chain risk, and social value and community vulnerability. The masterclasses utilised and built on the first-ever global and regional analysis of climate risks, and an interactive adaptation planning toolkit launched in 2021.

Pre-surveys indicated a strong desire to improve understanding of risks, and how to use this information to influence internal stakeholders and shareholders. Post-survey results indicated the series content was useful in both those respects, that learnings would thereafter be incorporated into sustainability or risk strategies and would drive work on both supply chain traceability and incorporating social considerations into climate assessments.

Approximately half of the respondents considered these next steps to be necessary but “likely to be quite difficult”, highlighting the challenges businesses face implementing such changes.

Business models that incentivise just and regenerative practices

As part of the *Growing our Future US* programme (page 11), Forum, **The Ecosystem Services Market Consortium (ESMC)**, and the **US Cotton Trust Protocol** launched a pilot of an ecosystem services business model. This model will enable conventional cotton farmers in the US to adopt regenerative practices using the financing and technical support provided by ecosystem service markets.

The *Eco-Harvest* pilot will work with cotton farmers in Alabama, Arkansas, Texas, and Tennessee to generate high quality carbon and greenhouse gas credits on over 2,300 acres.

Cotton producers targeted for enrolment include those implementing conservation practices such as nutrient management, reduced tillage, and cover crops. Once producers are enrolled in ESMC’s Eco-Harvest programme, ESMC quantifies credits and arranges third party credit verification by a global certification body, **SustainCERT**. Corporate buyers can purchase these verified credits to help meet their supply chain sustainability targets.

... "we can ensure this program works first and foremost for the agricultural producers, and ensure they are rewarded for the value and the outcomes of their work adopting conservation practices. We will quantify improved outcomes in our science-based, standards-based Eco-Harvest program, sell the credits to corporate buyers, and pay producers. This pilot will expand our program to producers that have been traditionally left out of agricultural market programs and other opportunities." - Debbie Reed, Executive Director, ESMC

Increasing uptake of sustainably produced cotton

Cotton 2040 has contributed to increased uptake in two ways. In the early stages of the programme, we made sustainable cotton standards more affordable and accessible to brands and farmers by aligning sustainability impact metrics. Then we developed the CottonUP Guide and ran a capacity building programme 2021-2022 to help brands and retailers to source cotton responsibly.

"Since joining the Cotton 2040 capacity building programme, River Island has increased its sourcing of sustainable cotton from nothing to 87 percent - mostly Better Cotton standard with some organic and recycled blend. Conventional cotton will not be allowed from September 2023. Another participant, Miki Brands has increased its use of sustainable cotton from 3 percent to 48 percent in the same period.

Even organisations that were already using sustainable cotton have improved, with Baukjen increasing their use of sustainable cotton from 60 percent to 96 percent. This shows the value of supporting brands and retailers to make the changes need for a fairer and more sustainable cotton industry" - Neil Walker, Sustainability Strategist, Forum for the Future

3. Tackling Microfibres at Source to turn the tide on ocean pollution

35% of all microplastics in the ocean come from textiles, yet there is much we still do not understand of their impacts on human and planetary health, or how we can turn the tide.

November saw Forum conclude its 21-month investigation into how we can better tackle microfibres at source. With support from the **UNDP Ocean Innovation Challenge (OIC)**, the project's findings (published in February 2023) came at a time where the EU is looking into stronger regulations on the textiles industry to reduce microfibre release. Our findings outline areas where systemic barriers in the fashion industry impede true innovation from textile manufacturers and brands alike. They highlight areas

in manufacturing processes that have the strongest potential for innovating solutions to reduce microfibre pollution (dyeing) and make a series of recommendations for action.

The systemic processes and research we undertook in this project were a targeted effort to shift discourse on solutions for the fashion industry's challenges from the consumer downstream to upstream. The project is a continuation of our long-standing partnership with vertically integrated textile manufacturer **Ramatex Group** based in Malaysia, and an evolution of our earlier work on circular economy in fashion manufacturing. **Ramatex** is a Tier-1 manufacturer established in 1976 with operations across Asia, serving some of the world's leading global sportswear and fashion brands.

Our work on textile microfibres provides a powerful case study on how supply and value chain actors can accelerate change and be empowered to make a difference. By gaining a deeper appreciation of systemic challenges, opportunities for more equitable collaborations within value chains will be possible.

4. Reimagining how we consume goods and services

Consumption is not just about getting a good deal. It's about the real cost of our choices. The COVID-19 pandemic has shifted how we consume, with e-commerce experiencing more growth in early 2020 alone than in the past decade. Consumers now have higher expectations of brands to deliver on sustainability promises yet trust in these claims is at an all-time low. The impact of what we buy and how we consume goods and services has a profound effect on our ability to avoid climate catastrophe, tackle structural inequality, and enable transformational shifts in our economic system.

To address this, Forum's *Reimagining Consumption* programme has brought together leading brands and stakeholders to develop action plans and transform the way that we consume and dispose of goods and services. Alongside leading brands and retailers — **3M, Burberry, Changing Markets Foundation, Ecover, Eastman, Ekaterina Tea, Estee Lauder, Farfetch, Google, Hubbub, IKEA, M&S, Mondelez, Pollination Group, Seventh Generation, Target, The Cosmetic Toiletry & Perfumery Association, Unilever, Visa, and Zalando** — we have identified and tested six areas of action, including creating a new vision of the future where consumption is challenged; working to shift narratives around sustainable consumption; and exploring ways to finance and scale new business models.

New narratives for consumption will be tested and developed, especially in the context of the cost-of-living crisis, recession, and tackling inequity. Case studies and conversations with key opinion leaders will be curated and a practical framework for brands to apply regenerative economy principles will be developed.

5. Businesses influencing the bigger picture for climate and health

In November, the Climate and Health Coalition - a multi-stakeholder collaboration convened by Forum and with founding members **Bupa, Haleon, Reckitt, and Walgreens Boots Alliance** - launched updated guidance for the private sector on how to urgently tackle mounting threats to human health from the climate crisis.

The *Driving Co-benefits for Climate and Health* report highlights the intrinsic link between planetary and human health; after all, a healthy planet is a key foundation for a healthy population, while human health cannot be advanced without fresh water, clean air and a stable climate. It aims to enable businesses to leverage their net zero and health strategies in a way that simultaneously accelerates change across both.

Developed with exclusive inputs from businesses, NGOs, scientists, philanthropists and government advisors from across Europe, Africa and the US, and on the back of extensive research distilling the findings of more than 5,000 multi-disciplinary papers, the report provides clear recommendations for the food, technology, built environment and healthcare sectors.

It continues to be a valuable resource helping people to think systemically — and well beyond their immediate remit — to influence the wider operating context and maximise their impact.

A track-record partnering with business

Forum was founded in 1996 on the belief that businesses can and must be a force for good. Almost 27 years later, our new strategy sees us doubling down on that belief.

As a critical and trusted friend and convener, Forum has a rich track record in partnering with the private sector. Together, we're resetting ambition and enabling businesses to step up in helping tackle the defining issues of our times.

But don't just take our word for it.

Here's a snapshot of what just a few of our partners say.

"As a long-term partner of Bupa's, Forum most recently supported us to test Bupa's new sustainability strategy before it launched, where we used the Business Transformation Compass as a stimulus to really push our thinking on what just and regenerative might mean for Bupa. As a healthcare company, our partnership with Forum is really helping us to continue to address health and climate together, which is why we also so strongly value the work that we're doing with Forum and other like-minded companies as part of the Climate and Health Coalition." - **Mar Soro, Group Head of Sustainability Advocacy, Bupa**

"We've been collaborating with Forum for the Future over the last fifteen years exploring how, as a purpose driven business, we can pivot our operational model to deliver products and services more sustainably. They bring unique insights and a 360 view to a whole range of business issues helping us shape, for example, the development of our carbon calculator designed to enable professional service organisations to measure the carbon impact of projects they deliver. The challenges we are facing globally require radical system change and the partnership we have with Forum for the Future helps businesses like ours to progress impact and scale the ideas needed for the future we want." - **Dr James Robey, Global Head of Environmental Sustainability, Capgemini**

"With a purpose to deliver better everyday health with humanity, Haleon understands climate change is a major threat to health and wellbeing, with vulnerable groups most impacted. Actions to tackle climate change can deliver big benefits for health. For example, burning fossil fuels is a key driver of climate change and air pollution with 90% of people breathing air that exceeds WHO safe limits and children, older adults and those with underlying health conditions most impacted. Accelerating the transition to clean, renewable energy helps tackle climate change and air pollution giving people cleaner air to breathe. Forum for the Future's ability to promote collaboration and systems change is increasing understanding of the links between climate change and health, bringing the problem closer to home and galvanising a step change in actions that deliver co-benefits for people and planet both now and in the future." - **Sarah McDonald, VP Sustainability, Haleon**

"The complex challenges facing the world today - inequality, climate change, biodiversity loss, among others - require holistic solutions that are co-created through multi-stakeholder and multi-disciplinary approaches. But navigating discussions with diverse stakeholders who bring different lived experiences, learned experiences and worldviews, and finding interconnections and common ground, is difficult work. I've been consistently impressed with Forum for the Future's design and facilitation skills which guide such stakeholders through co-learning and co-design, opening pathways for shared solutions." - **Delilah Rosenberg, Co-initiator, Taskforce for Inequality-related Financial Disclosures**

"For more than two decades, Forum for the Future has been a key partner for Unilever on our sustainability journey. Their support to help us create deeper, more systemic change on the issues that matter most has been absolutely invaluable." - **Alan Jope, CEO, Unilever**

"As companies face into a more uncertain and volatile operating context in the 2020s, purpose-led business transformation has never been more important. Forum combines deep insight into sustainability issues with the facilitation skills needed to effectively engage the most senior leaders in a business." - **Anke Ehlers, CRI Director, ALDI SÜD**

"I have worked in partnership with Forum for over a decade (!), both in my current and previous roles and have always appreciated the constructive challenge to push our ambition for sustainability further and faster. Forum's focus on shifting hearts and minds has been critical to unlocking the full potential for change, and their current focus on just and regenerative business is such an obvious next step, and welcomed." - **Caroline Laurie, VP Corporate Responsibility, Burberry**

4. Reimagining the FUTURE

There is no data about the future, and prediction is an impossible game. But we can shape the future, and the best way to start is by imagining the future we want to see.

Strategic foresight and futures thinking have long been used by large organisations to understand change and plan for uncertainty. Historically, entrenched actors in the system such as oil and gas companies, have used futures to analyse risk. At Forum we use futures thinking to go beyond risk mitigation and bring our values-driven approach to futures work. We do this by imagining possible pathways towards the just and regenerative future that we see as vital for both people and the planet to thrive.

Our futures work supports our three transition areas (food, energy and the purpose of business) and helps us to examine entrenched mindsets, consider possible trajectories for change, and challenge our assumptions about the future.

Our work in futures

We are leaders in applied futures, known for creating concrete, practical solutions and building the capacity of our partners for long-term thinking.

With a strong reputation for futures work, we are unique in our speciality of using futures for sustainable development. Our approaches span different methodologies including trends analysis, visions, scenarios, games, and speculative prototypes. Our approach is rooted in data, both qualitative and quantitative, and we are experts at facilitating workshops and events that enable us to engage deeply with partners. All of which allow us to challenge an organisation's assumptions about the world before mapping out routes to a just and regenerative future.

PROGRAMME HIGHLIGHTS

1. Doubling down on applied futures and strengthening what Forum offers

Now more than ever, we need to be able to understand and appreciate just how radically different our future is likely to be. That's why Forum is doubling down on ensuring we remain at the leading edge of futures thinking and practice.

In 2022, we focused on demonstrating the value of futures for sustainability and rejuvenating our efforts to position Forum as a thought leader in this space. This involved:

- Using futures thinking to stay ahead of the latest developments, innovations, opportunities and barriers in the three transitions Forum is focused on (food, energy and business) and asking

challenging questions about how we can leverage our role and expertise to drive deeper impact. This thinking includes horizon scanning and trend monitoring as well as specific futures research processes.

- Developing and delivering a way to keep Forum's staff and partners up to date on unexpected ('black swan') events and disruptions and their implications on key transitions.
- Exploring what technologies and other futures methodologies might help Forum be better equipped to keep our practice "cutting edge".

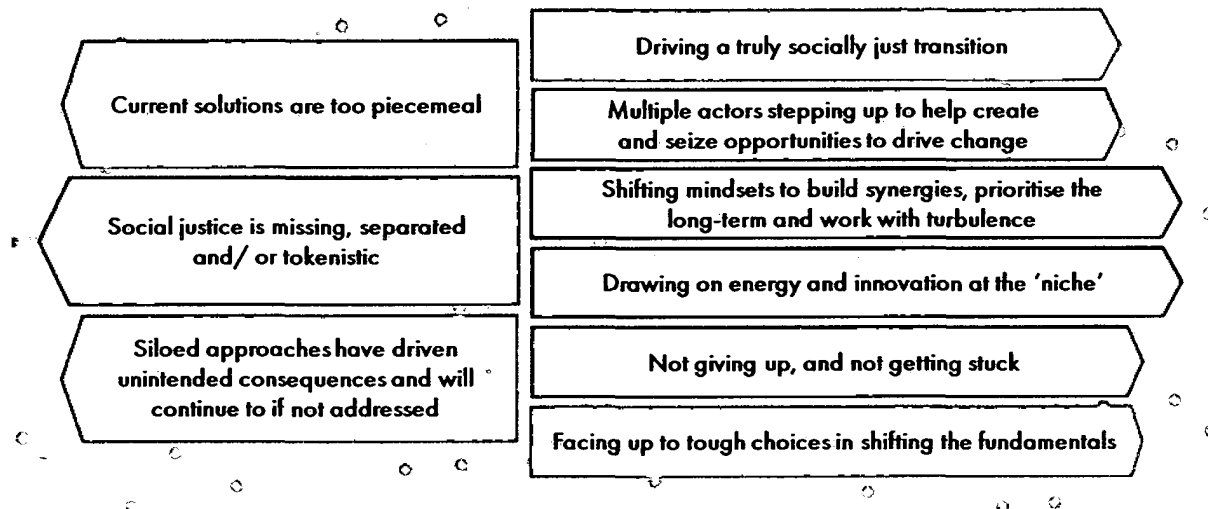
2. The *Future of Sustainability: Looking Back to Go Forward*

2022 saw us conclude our six-month *Future of Sustainability: Looking Back to Go Forward* campaign, a unique opinion and commentary series that:

- Explored **lessons learned** from the last 25 years in the sustainability movement based on where we have succeeded in creating real change and where we have failed.
- Synthesised **exclusive insights from diverse voices** to examine how the world is responding to today's multifaceted challenges and opportunities, and what pivots might be needed. In-depth opinion pieces demystified emerging concepts such as 'just and regenerative,' 'the just transition' and 'system change' while also tackling pressing questions such as what alternative economic models are bubbling in the niche with potential to challenge long-standing economic assumptions.
- Considered **what this all means going forward** - from the need to adopt new mindsets to fundamentally resetting our ambition if we're to create a just and regenerative future.

Looking Back to Go Forward highlighted three things that have held sustainability back, and six that just might propel us forward:

What's holding us back? What will propel us forward?



The campaign was made possible thanks to the generous support from our partners: **Laudes Foundation, GSK Consumer Healthcare, Target, M&S, Capgemini, Bupa, 3M, the Cosmetic Toiletry & Perfumery Association (CTPA), Burberry, Olam Food Ingredients**, and in particular our headline sponsor, **SC Johnson**.

The *Future of Sustainability* allows us to put the spotlight on the need to apply futures thinking when developing sustainability strategies. It makes the case for imagining just what tomorrow could look like, painting a vision for your preferred future, and then preparing for this today. It is also a key way through which Forum influences narratives and what people think, feel (and ultimately do) about the challenges they face.

3. Capgemini: a new, futures-led approach to impact measurement

As our global social, environmental and economic challenges intensify, people are looking to businesses to step up. Big questions are being asked; among them, just how business leaders can be truly transformational.

Against this backdrop, Forum partnered with **Capgemini** to explore how businesses can unlock more transformative project design and decision-making through the lens of greenhouse gas (GHG) reduction.

Our findings were published in September in a thought-leading report — *Measuring impact: a methodology to inform transformative project design* — that laid out a range of practical real-life examples currently helping organisations with more accurate and meaningful measurement and prediction of a project's GHG footprint. The report also allowed us to highlight the growing focus on businesses to move from net to absolute reductions by adopting a systemic and futures lens to measure the impact of their supply chains.

5. The SCHOOL OF SYSTEM CHANGE

In a world on the brink of collapse, changing so fast and yet in many ways not fast enough, we need broad and deep systems change. The *School of System Change* exists to nurture the work of leaders and changemakers who are embracing complexity and bringing about hopeful futures.

From the basics of *Delta*, a five-week introductory jump into system change, to *Spark*, a five-week intensive dive into leadership, facilitation and practice, the School's courses have supported more than 560 leaders and changemakers from the worlds of business, non-profit, social enterprise, government, funding and consultancy. It's about navigating from overwhelm to agency, recognising that there is no one way to create change but a wealth of tools and frameworks to choose from.

And it's all in support of a compelling vision: to cultivate a global community of changemakers working to tackle sustainability issues.

The relationship between the School and Forum

As part of Forum's new strategy, the School and Forum are now more independent from one another, allowing each to flourish and grow. We recognise that while the two have different theories of change, strategies, and ways of working, they strongly complement one another; each utilises systems change approaches - in Forum's case focused on three specific transitions where the School's focus is much broader.

The School is externally independent, presenting as a sister brand to Forum, through a new website and social media channels. Operationally, the two remain part of the same organisation, sharing governance and financial structures as well as dedicated capacity in Forum's Resources team.

PROGRAMME HIGHLIGHTS

1. Launching a refreshed brand and proposition as The School turns six

The School marked its sixth anniversary in mid-2022 with a renewed strategy and brand proposition expressed through a new, dedicated website and suite of social media channels. The School refreshed its visual language to be more alive, bold and dynamic, and to better highlight the power of networks and interconnections found through the natural world. The School actively engaged its alumni community and contributor network in its relaunch, with more than 560 change practitioners globally marking the celebratory anniversary.

2022 also saw the School shift to become a sister organisation to Forum, with Dr Anna Birney leading the School as its Chief Enabling Officer. The School continues its programming with a bolder ambition to shift the current paradigm to one where *learning is change* — so that people and society can adapt to constantly evolving conditions and build collective capacity to learn in the face of complexity and uncertainty. Part of this means working more with ambitious leaders to create broad and deep change in ecosystems and networks, beyond the boundaries of individual organisations or teams.

2. Building systems change capacity across health and finance ecosystems

The School has been working with Johnson & Johnson Foundation since 2021 to bring systems change capacity to the health system. To date, the School has run two cohorts of the *Basecamp for Health System Transformation* programme, directly engaging community health practitioners in Europe, the Middle East and Africa while also delivering on a wider awareness and engagement strategy that has seen the School curate valuable resources, stories and case studies, and build capacity in facilitation.

Looking beyond health, the School took its approach into the finance sector with a pivotal partnership with **Aviva Investors**. Working together, the School and Aviva delivered the *School of System Change in Finance*, engaging a pilot cohort of more than 40 participants in London and globally.

The School holds bolder ambitions in coming years to bring systems change learning and development to more sectors and ultimately bring about large-scale change.

3. New learning and practice partnerships

The School is now working with a number of organisations, accompanying and partnering them on their journey, and bringing systems change capacity to their teams.

As part of a long-term relationship, the School supported **Robert Bosch Stiftung** to refresh its strategy in 2020 and we've been working together since. The Foundation had chosen five international change areas

to focus on for the next 10 years, and for each, wanted to create systems change strategies that considered what the area meant for the organisation and how it works.

Forum, and now the School, worked with the Migration and Climate Change teams to coach them through a six-month strategy development process and equip them to incorporate system change tools and methodologies throughout. This included coordinating the overall systems change approach across all five strategies in the newly developed department.

The goals that the Foundation is now taking forward are more transformational than ever before. Their strategy setting process is now more fit-for-purpose for the complexity of the problems they are trying to address. They have moved from a linear input, output, outcome impact approach to an emergent strategy, meaning they can respond better to a rapidly changing world. They are also a large influencer in the field of European philanthropy, through the **European Venture Philanthropy Association**, and so have the opportunity to lead by example.

This work has been taken even further with us now working with the organisation's migration team to fine tune and prototype their monitoring, evaluating, accountability and learning framework (MEAL).

Elsewhere, the School continued its work with funders and foundations including **Drosos Foundation** based in Switzerland working on youth potential for economic empowerment and social inclusion. The School partnered with the foundation to support its learning culture in their strategic implementation plan around programme priorities and impact along with its monitoring, evaluation and learning to build partnerships to implement on multiple scales.

4. Expanding our offer: a new '*Delta*' programme in the Americas and Europe

The School expanded its courses in 2022 with a new *Delta* programme. Over a five-week period, *Delta* offers new entry into systems change learning by diving into introductory content to systems and change-making with an emphasis on systems tools and frameworks.

The School delivered the *Delta* course in two iterations in both the Americas and Europe, drawing upon a pilot course delivered in collaboration between **MitOst** and **Bosch Alumni Network**.

In its annual programming, the School now offers three courses: *Delta*, *Basecamp* and *Spark*. The range provides various entry points to systems change learning, thereby catering for practitioners at different stages of the challenges they face.

Plans for the future

Our 2021 annual report outlined three aspects to our plans for the future: finalising and operationalising our new organisational strategy for 2022-2023 — including defining and honing in on key sustainability transitions, putting a stronger focus on futures and getting clear about what we mean by 'just and regenerative'; strengthening the *School of System Change*, and continuing to build and cultivate strong relationships that help us raise the vital funds needed for our work.

Progress against these areas have been highlighted in this Report. All are set to continue as key priorities in 2023 and beyond. Over the coming year we will particularly focus on:

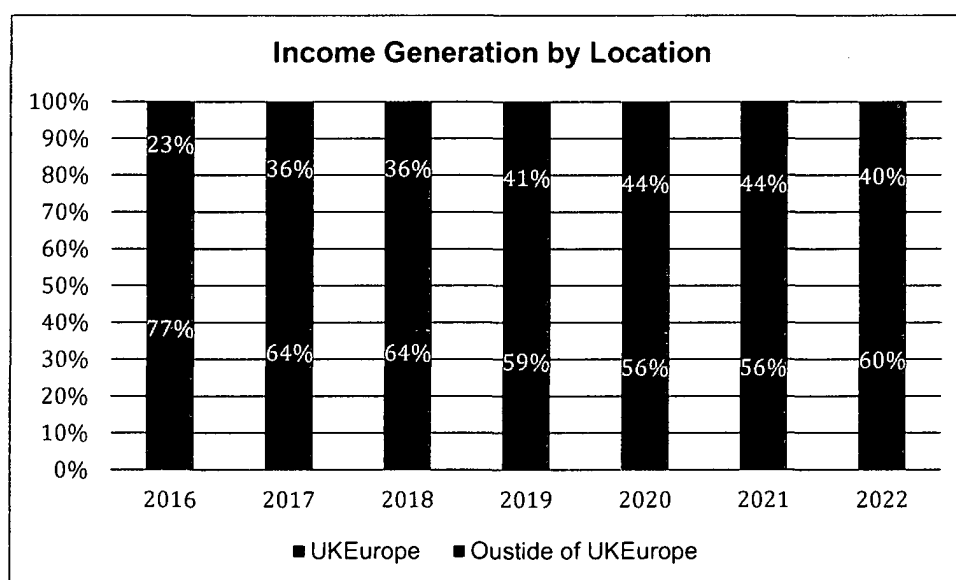
1. **Fully operationalising our new strategy for 2023-2025**, including:
 - **Defining clear programme portfolios** for the food, energy and business transitions and how we will resource each from our teams in the UK, US, Singapore and India.
 - **Rolling out 'Spotlights' and 'Collectives'** — internal groups with clear remits that help Forum staff to upskill themselves in key practice areas of work, from systemic tools and frameworks to innovation and storytelling.
 - **Building our futures practice.** Now more than ever, the ability to understand and embrace the disruption cascading around us, to imagine multiple futures, to scope the pathways needed for us to get there and to identify risks and opportunities, will be invaluable in ensuring resilience and adaptability. Forum will continue to reinvigorate its futures practice, not only upskilling Forum staff, but expanding our portfolio of futures projects with both existing and prospective partners.
2. **Diversifying our income streams.** Forum cannot develop or deliver its game-changing programmes without the support of businesses, trusts, foundations and philanthropists. We will continue to create and/or cultivate our relationships with both new and existing funders and partners and as part of this, build a funding pipeline that ensures Forum's resilience and capacity to deliver multi-year programmes, with impact and across multiple markets. In particular, 2023 will see us strengthen our capacity in private sector engagement and fundraising.

Financial review

In 2022, Forum's income increased to £6.4m (2021: £5.1m), a 24% increase from 2021.

Forum's income includes substantial grant funding, which in line with SORP accounting requirements is often recognised in advance of expenditure and carried forward as a restricted fund. The timing of these grants is a significant cause of variance in year-to-year income recognised from year. If we were to remove this early recognition of grant funding, the underlying performance for Forum shows a 15% growth in income.

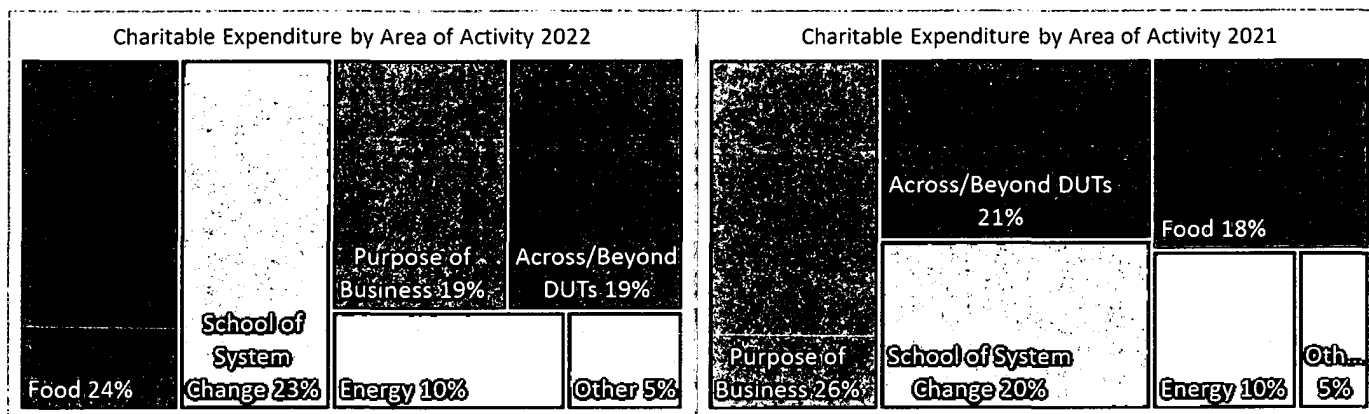
Most of our income continues to be generated in UK & Europe (60%), and this has not changed much since 2017. The next largest location of income generation is the US (23%).



Expenditure increased by 19% to £6.4m (£2021: £5.4m). This reflected a number of factors:

- Primarily reflects an increased level of charitable activity that we have been able to achieve this year.
- Significant inflationary pressures felt in all the locations that we work.
- A weakening of the value of the GBP meant that overseas expenditure increased in pound terms but that that was largely compensated by higher income in GBP terms from income received in other currencies.
- Some additional one-off investments in the new strategy and to strengthen our underlying internal systems.

To align with our new strategy, the accounts this year show the charitable expenditure split by our different Deep and Urgent transition areas. This is presented in graphical form below for 2022 and 2021. The main shift from 2021 was an increase the amount food-related work.



The unrestricted surplus/(deficit) is the key bottom line and Forum had a deficit of £214,000 (2021: £182,000 surplus). This reflects the one-off investments noted above and income growing at a slightly slower rate than planned.

The restricted surplus of £177,000 (2021: £455,000 deficit) reflects the timing of recognition of grant income.

The combined unrestricted and restricted surplus meant that net assets fell by £37,000 to £1,954,000. The reserves position is noted below in the reserves policy section.

Cash continues to remain at a good level, and well above our free reserves, as a result of some of our grant funders paying in advance of expenditure, and at 31 December 2022 was £2.3m (2021: £1.8m).

Reserves policy

The trustee board reviews our reserves policy each year and considers the appropriate level of reserves for the organisation to hold. Trustees consider our current risk profile, balancing the need to reflect that risk whilst making sure we are not holding funds unnecessarily at the expense of committing funds to meet our charitable objectives. They consider the need to cover working capital requirements, the potential for short term reductions in income, and unexpected expenditure.

The policy sets a minimum target for free reserves (unrestricted funds excluding unrestricted tangible fixed assets) of 18% (or 2.2 months) of overall expenditure excluding direct project costs. At 31 December 2022 this minimum target was £990,000 (2021: £824,000). At the end of 2022, our free reserves were below target at £861,000 (2021: £1,027,000). Trustees plan to grow the reserves over the 2023-2025 strategy period to ensure that free reserves move above the minimum target.

Going concern

Trustees have reviewed the latest versions of the planning scenarios and cash-flows, paying particular attention to the risks to income, reserves, and liquidity levels. They have concluded that there are sufficient reserves held at year end to create a reasonable expectation that Forum for the Future has adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to prepare the charity and group financial statements on a going concern basis.

Fundraising

Philanthropic funding and fee for service are both critical to Forum's ability to accelerate the shift to a just and regenerative future, enabling us to drive transformational system change and providing flexibility and freedom in how we achieve our mission. Our fundraising efforts focus on building long-term, strategic partnerships with corporates, trusts and foundations, statutory funders and individual philanthropists who share Forum's vision for a future where people and planet can thrive.

We do not make direct marketing appeals, carry out mass participation fundraising events, street or door-to-door fundraising, or fundraise from vulnerable adults. For this reason, we are not registered with the Fundraising Regulator in the UK or equivalent regulators elsewhere.

However, we ensure the fundraising activities we do carry out comply with the legal and regulatory framework as it applies to charities and fundraising, and all fundraising is carried out by Forum employees in line with our safeguarding, anti-bribery and whistleblowing policies. In 2022 we further strengthened our existing fundraising policy by developing complementary guidance that covers acceptance of gifts to Forum. Fundraising activities include collaborative events focusing on sustainability topics, strategic meetings with foundation partners and thought leadership publications and communications campaigns.

Managing our environmental impact

Whilst working to accelerate a future in which people and planet can thrive, we also recognise the need to manage impacts that might arise from our own operations. Our Sustainability policy is supported by monitoring and evaluation and a drive for continual improvement.

Measuring our impact

In 2022 we were able to measure the carbon emissions across all areas of our business travel, which we believe to be our most significant impact. Collection of data improved thanks to some adjustments to our expenses system, and we have plans to further automate collation of this information in 2023. We are also able to collect information on the energy use of our London office and, for the first time, from our

Singapore office which is a shared workspace – we aim to expand this to collect the same data for our India and US offices in 2023 (also shared workspaces).

Forum for the Future - carbon emissions - 2022 (metric tonnes CO ₂ e) ¹							
		2017	2018	2019	2020	2021	2022
Scope 2 Office energy use	London office ²	14	6	10	8	1.97	3.03
	Singapore office ³	NA	NA	NA	NA	NA	0.54
Scope 3 Business travel	Flights	185	193	280	35	20	163.01
	Train journeys					0.12	0.96 ⁴
	Taxi journeys					0.16	1.12
Total metric tonnes CO₂e		199	199	290	43	22	169

NA – Data not currently available – we are looking to source this data for 2023

As expected during 2022, our carbon emissions arising from travel have increased significantly compared to the previous two years, due to reduced restrictions and concerns about Covid enabling much more ‘in-person’ activity. This year saw a significant appetite for in-person events, training sessions and meetings as many of our stakeholders (including our own staff) looked forward to working face-to-face again after a two-year hiatus of doing so. It has been important to capitalise on this enthusiasm, to refresh old relationships and build new ones with our funders, delivery partners, collaboration partners and project participants, thereby extending the reach and impact of our work. Encouragingly, the carbon emissions from business travel for 2022 are lower than pre-COVID levels even though our overall income has increased. The ways in which we have expanded our breadth and depth of working virtually over the past few years have helped in this regard and we have still been able to deliver a significant portion of our work online as a result. However, with the potential to travel increasing back to pre-Covid levels, we plan to update and re-promote our own guidance in this area - to remind staff of our policy and guidelines around travelling sustainably but also to ensure we make choosing the most sustainable option as easy as possible.

Our digital impact

Information technology can reduce our impact on the planet by enabling virtual working, but we also recognise that natural and human resources are used to produce hardware, run programmes and store

¹ Defra conversion factors for the year 2022 have been used in all calculations apart from energy use for Singapore office (see note 3)

² We also take into account emissions from transmission of electricity used in the London office (officially scope 3 but included in this line for simplicity)

³ Data provided by landlord who use conversions from IEA (International Energy Agency)

⁴ For comparative purposes, one tonne of CO₂ is approximately equivalent to the emissions from one person flying from Chicago to London (source, Myclimate Foundation)

data. Although this is a new and evolving area to measure, in 2022, as part of a wider review of our IT, we started looking at what we could evaluate in terms of sustainability.

We identified three areas where we could start to measure/manage our impacts in some way. In 2022 we needed to renew out of date laptops for a third of our staff and though our research found a new scoring system (*Leafscore*) to benchmark the sustainability credentials of different devices. This helped guide our purchasing decision and will inform future spend in this area.

We also noted an increase in the amount of data we have started to store over the past couple of years which, we anticipate, is due to changes in remote working and the increased use of video (and recordings) for workshops and events. A process of archiving has commenced to put much of this data into 'cold storage' which reduces overall storage needs (and thus energy). Staff training on how to use IT services in the most sustainable way (including digital decluttering) are to be rolled out in 2023 to further this work and with the aim of reducing unnecessary storage demands going forward.

Carbon offsetting

We view offsetting as the last step in managing (and importantly, mitigating) our carbon emissions but each year we do so to account for emissions we cannot avoid. In 2022 we offset our emissions through Climate Impact Partners, investing in Gold Standard accredited projects.

Our people

Ways of working

2022 has again been a difficult year for our people. With the pandemic effects still being felt in a number of ways, war in Europe and a cost-of-living crisis, we have not been immune to world influences, and yet have remained resilient. There have been conflicting country guidelines for the pandemic, with office closures and restrictions in early 2022 and we have adapted to new ways of working across our four offices. Hybrid working has become our norm with colleagues spending some time in an office and some time at home, with a number of people moving locations and some becoming fully home working employees. We have experimented with new ways of working including embracing different technologies and embedding systems to support better ways of working across time zones, including 'no meeting Wednesdays' experiments and 2022 was an opportunity to consider how we might evolve our organisational design to support our new strategy.

Engagement

We were able to host an in person away day in the UK in June, which was a key opportunity to bring together our people for the first time in two years and colleagues were struck by the number of new colleagues and the changing diversity of current Forumite staff members.

A number of different surveys have been run to inform 2023 people plans, this has included reviewing working practices and extending the 'no meetings Wednesday' experiment. In addition, line managers have been surveyed for learning intervention opportunities, and a pulse survey late in the year showed high regard for line managers and provided further data on areas for exploration and improvement.

Recruitment

As of 31 December 2022, we had 79 employees. Twenty new starters joined us in the year and 17 staff left the organisation. Forumites identify as 60% white, 17% Indian, 7% Chinese, 16% other. The majority of Forumites identify as Female (76%).

We continued to use 'Be Applied' for the majority of our roles as our recruitment tool, designed to support fair decision making, removing biases in the sifting process. We continue to receive a high number of applications for our roles from diverse candidates, average time to hire (via Be Applied) was 35 days, 'Be Applied' surveys both successful and unsuccessful candidates, providing us with useful advice and information on how candidates experience the process. Candidates rated us a score of 8 out of 10, similar to last year, with scores dropping slightly for unsuccessful candidates.

Our recruitment was a key part of our strategy to continue to increase the diversity of our people. Our analysis of 2022 campaigns concluded that we are attracting diverse candidates from a range of job boards and they are being selected for interviews when we utilise 'Be Applied'. Our external hires were 64% white, 14% Indian, 9% mixed race, 9% black, 4% other, supporting our ambitions to increase our diversity. The majority of our hires continue to be women.

Equity Diversity and Inclusion

In 2021 we committed to increasing training opportunities and 2022 saw the board of trustees participate in equity, diversity and inclusion (EDI) training which highlighted the opportunity to increase the ethnic/racial and geographical diversity of our board. This renewed focus on EDI led the way for all Forumites committing to and responding to their own EDI learning and goals (such goals were mandated as part of our performance appraisal process). Most Forumites took up the inquiry of their choosing, focusing on a particular interest area and how it relates to their work. As an organisation, we committed to

increasing our ethnic and racial diversity through new hires and supporting the learning and development of our people.

Each month a team of people from across our geographies meet to discuss learning, opportunities and reflect on power and equity and this has paved the way for our 2023 plans with a spotlight on EDI. Our diversity statistics enabled a learning discussion around nomenclature for ethnicity and how we 'label' people's ethnicity in different geographies to enable inclusion, ensuring we are locally relevant and also have international coherence.

Leaders in Forum have also met to discuss their own positionality, power and influence which has shaped and strengthened working relationships across geographies. Locally led discussions have continued to grow awareness and shape action, both in our work internally and through our project opportunities.

Retention

During the year we were able to respond in a small way to some of the cost-of-living challenges our staff face by increasing pay outside of the normal annual pay award for our lowest paid staff. There were opportunities for our people, through the exploration of the organisation re-design to support our new strategy, including a number of internal promotions and new opportunities to shape existing roles. In addition, our 2023 plans focus on responding to feedback on the performance/appraisal process, development of career opportunities at Forum (including learning and development) and exploring new ways to work and reward people, along with updating a number of people policies to reflect our current ways of working and the opportunities post-pandemic.

Principal risks and uncertainties

The risk register remains our primary tool to give the Trustees assurance that key risks are adequately managed. The policy requires that key risks are identified and ranked each year and that each identified risk is assigned to a named risk owner who constructs a risk mitigation strategy and monitors the progress of that strategy.

The Senior Management Team (SMT) reviews the overall register regularly to determine the ongoing risk profile and agree on mitigation strategies. The Audit and Assurance Committee (AAC) then reviews the risk register twice yearly to ensure all risks are captured, monitored and are being adequately mitigated and undertake deep dives into specific topic areas as deemed useful. The full board reviews the risk register at least annually.

The following table sets out the major risks we faced during 2022 into 2023 together with key mitigating actions.

Risk	Mitigating actions
Funding model does not generate sufficient resource to sufficiently fund our work.	<p>In recent years we have diversified our income, increasing the proportion of our funding from trusts & foundations and in the growth of offices in India, South East Asia, and the US.</p> <p>We have clear milestones for income generation, to give an early warning where income may be insufficient and savings may need to be delivered. This is supported by detailed financial reforecasting during the year.</p>
Global economic and geopolitical instability has negative financial impact (e.g. inflation)	Regular forward-looking financial review to recognise risks and take mitigation actions.
Staff turnover as a result of increasingly competitive landscape for talent in the sustainability sector	<p>Keeping a focus on Forum's values including aiming to be a brilliant place to work, including substantive efforts on staff development and feedback.</p> <p>Benchmarking pay and benefits.</p> <p>Carrying out exit interviews to understand reasons for people leaving and undertaking staff surveys.</p>
Cyber security incident results in data loss causing business interruption and/or reputational damage	Various controls around key data (e.g. multi-factor authentication), development of a cyber incident response plan, support from third party expertise, chief information security role in place.

Structure, governance and management

Governance

The governing body of Forum is the Board of Trustees, which meets at least four times a year. The Trustees are responsible for ensuring that Forum abides by its charitable aims, works within the law and delivers its mission effectively. They oversee the policies and objectives of Forum and ensure that the work of the organisation is properly monitored and evaluated.

Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity by the Trustees are set out in note six to the accounts.

The Chair of Trustees, Rita Clifton, CBE leads the Board, which meets at least four times a year and has a number of sub-committees. The Audit and Assurance Committee (AAC) meets at least four times a year to ensure the adequacy of Forum's internal controls, risk and financial management, and considers and evaluates the work of the external auditors. This committee was led by Honorary Treasurer, Fiona Thompson. In October 2022 Emily Bushby joined Forum as a new trustee and took over as Honorary Treasurer in December 2022.

The Remuneration Committee is responsible for assessing the pay and performance of the Chief Executive and Founder Director. This Committee is also responsible, along with the Chief Executive, for assessing the performance of the Senior Management Team and reviewing the overall pay policy of Forum.

The Governance and Nominations Committee has responsibility for reviewing the board's performance against best practice, overseeing the composition of the board and committees, and supporting the appointment of the Chair, Trustees & Chief Executive.

New Trustees are appointed by the Board following open advertisement. The Board maintains a list of required skills and competencies and seeks to ensure that recruitment fills any skill gaps left by retiring Trustees. New Trustees receive a comprehensive induction, which introduces Forum and a review of the duties of Trustees as defined by the Charity Commission.

Decision making

The Board of Trustees is the ultimate decision-making body of Forum. The Board is responsible for ensuring that Forum is solvent, well-run, and delivering the charitable outcomes for which it has been established.

The Board acts in the best interests of Forum; takes decisions about the strategic direction and future of the charity; ensures the organisation remains financially and strategically sustainable and is prepared to face future challenges. They ensure that Forum is working within the law, and exercise sufficient oversight to ensure it is meeting its objectives. They support the Chief Executive and ensure that the board as a whole is working effectively and efficiently.

Although final authority rests with the Trustees, they have delegated certain responsibilities and decision-making powers to the Chief Executive which are documented within governing documents and committee terms of reference. The Chief Executive in turn, further delegates responsibilities to suitably qualified members of staff using a mandate and advice model reflecting the matrix structure of the organisation.

Structure

Consolidated group accounts have been prepared for 2022 along with UK company accounts.

Forum for the Future India Private Limited is a company limited by shares. Our Singapore office is operated out of Forum for the Future Asia Pacific Limited, a company limited by guarantee. Forum for the Future US is an independent 501(c)(3) organisation.

On 20 February 2023, Green Futures Limited, was sold to Jonathon Porritt for £100. Jonathon Porritt was an employee of Forum for the Future at this date. The value of the sale reflected the book value of the entity which had been dormant since incorporation and did not hold any assets.

Statement of directors' responsibilities

The Trustees (who are also directors of Forum for the Future for the purposes of company law) are responsible for preparing the Trustees report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the

assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware;
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

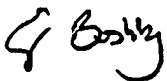
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of it winding up. The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditor

Our auditor, Sayer Vincent LLP, has expressed its willingness to continue in office.

Approved by the Board of Trustees on 20 June, 2023 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Emily Bushby'.

Emily Bushby, (Director, Trustee and Honorary Treasurer).

Reference and administrative details

Forum for the Future is a charitable company limited by guarantee and is incorporated in England & Wales (company number 2959712, charity number 1040519). The registered office address is: 3rd floor, 22-26 Paul Street, London, EC2A 4QE, United Kingdom. www.forumforthefuture.org

Trustees and directors

The Trustees, who act as directors for the purposes of company law, present their report and audited financial statements for the year ended 31 December 2022, which have been prepared in accordance with the Statement of Recommended Practice: Reporting and Accounting by Charities and the Companies Act 2006.

Trustees who served throughout 2022 and up to the date of this report were as follows:

Rita Clifton CBE (Chair)

Volker Beckers

Emily Bushby (Honorary Treasurer) (from October 2022)

Charlotte Ersbøll

Noa Gafni

Heather Grady

Laura McGonigal

Anita Tiessen

Fiona Thompson (Honorary Treasurer) (until February 2023)

Jonathan Wates

Andrew Winston

Board sub-committees

Audit and Assurance Committee (AAC)

Fiona Thompson (Chair) (until February 2023)

Emily Bushby (Chair) (appointed as trustee October 2022 and as Honorary Treasurer February 2023)

Charlotte Ersbøll

Laura McGonigal

Mandhese Samra (Independent Member)

Jonathan Wates

Remuneration committee

Anita Tiessen (Chair)

Rita Clifton CBE

Heather Grady

Governance & Nominations Committee

Jonathan Wates (Chair)

Rita Clifton

Heather Grady

Anita Tiessen

Company Secretary

Chris Baker

Senior management team

Dr Sally Uren OBE, Chief Executive

Chris Baker, Chief Operating Officer

Caroline Ashley, Global Director of System Change Programmes (until December 2022)

Anna Birney, Global Director of Systems Change Learning

Jane Lawton, Chief Development and Communications Officer (until March 2022)

Ariel Muller, Director, Asia

Hannah Pathak, Director, UK/Europe

Sandra Seru, Director, US

Bankers and auditors

Bankers	HSBC Commercial Banking City of London Commercial Centre 60 Queen Victoria Street London EC4N 4TR	Triodos Bank Deanery Road Bristol BS1 5AS	The Co-operative Bank PO Box 48 1 Balloon Street Manchester M60 1GP
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL		

Our partners and funders

All of our partners and funders are organisations that made contributions to programmes, or worked with us on projects, designed to accelerate progress towards a just and regenerative future.

The 3M Foundation

AIM-Progress

Air New Zealand

Ahold Delhaize

Amazon

Aviva Investors

Belron International

Bentley Motors

Betty & Taylors of Harrogate

Betty Lawes Foundation, the grant making charity associated with Volac International

BMW Foundation Herbert Quandt

The Body Shop

Burberry

Calouste Gulbenkian Foundation (UK Branch)

Capgemini

Cargill

Chanel

Coca-Cola Europe

The Crown Estate

David Rockefeller Fund

Diageo

Drax

Drosos Foundation

EDF Energy

Estee Lauder Companies

Flipkart

FTI Consulting

Gate One

H&M

Hat Trick Productions

Henkel

The Hershey Company

Inter-American Development Bank

International Biocontrol Manufacturers Association

Jebsen & Jessen Pte Ltd
John Lewis Partnership
Johnson & Johnson
Kering
Kimberly-Clark
KR Foundation
Luminate
Marine Conservation Society
Missouri Foundation for Health
Mondelez
Nestlé
NHS Trust Development Authority
The Norwegian Agency for Development Cooperation (Norad)
Oak Foundation
OFI
Omidyar Network
Oxford Farming Conference
Panorama Global
Pearson
Pfizer
Prorustica Ltd
PSC Consulting
Pukka Herbs
Pure Table Top
The Purpose Factory
Robert Bosch Stiftung
Saint-Gobain
SC Johnson
SED Fund
Siemens
SIG Combibloc
Singapore Economic Development Board
Sir Alan and Lady Jane Parker
Sky
Small Foundation
Social Alpha
Stuart Fletcher
Suma Wholefoods
Textile Exchange
Travalyst

Treebeard Trust
Unilever
Volac
The Waterloo Foundation
Wates
Wates Family Enterprise Trust
Willmott Dixon
WBCSD
WWF
Zalando
Zoological Society of London

We especially want to acknowledge and thank our leading partners and funders whose significant contributions in 2022 supported Forum's ambitious strategy for a socially just and regenerative future.

ALDI SÜD

Bord Bia

Bupa

Co-op Foundation

Dole

Eicher Motors, including Royal Enfield and Eicher Group Foundation

Friends Provident Foundation

Haleon

HSBC

Ingka Group

J&J Foundation

John Ellerman Foundation

Joseph Rowntree Charitable Trust

Lankelly Chase Foundation

Laudes Foundation

MacArthur Foundation

M&S

People's Postcode Lottery

Ramatex

Reckitt

S&P Global Foundation

Target

United Nations Development Programme

The VF Foundation

Walgreens Boots Alliance

Walmart Foundation

Independent auditor's report to the members of Forum for the Future

Opinion

We have audited the financial statements of Forum for the Future (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Forum for the Future's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit and assurance committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)

Date 15 September 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Financial statements

Consolidated statement of financial activities for the year ended 31 December 2022

(Incorporating the income and expenditure account)

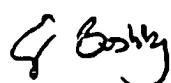
		2022			2021		
	Notes	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
INCOME FROM							
Donations	2	26	15	41	125	45	170
Charitable activities	3	3,627	2,707	6,334	3,270	1,687	4,957
Total income		3,653	2,722	6,375	3,395	1,732	5,127
EXPENDITURE ON							
Raising funds		(206)	-	(206)	(290)	-	(290)
Charitable activities		(3,667)	(2,545)	(6,212)	(2,908)	(2,187)	(5,095)
Total expenditure	4-6	(3,873)	(2,545)	(6,418)	(3,198)	(2,187)	(5,385)
Net income/ (expenditure) for the year	8	(220)	177	(43)	197	(455)	(258)
Foreign exchange gains (losses)		6	-	6	(15)	-	(15)
NET MOVEMENT IN FUNDS		(214)	177	(37)	182	(455)	(273)
FUNDS BROUGHT FORWARD		1,117	874	1,991	935	1,329	2,264
FUNDS CARRIED FORWARD		903	1,051	1,954	1,117	874	1,991

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 20 to the financial statements.

Balance sheets for the year ended 31 December 2022

	Notes	The group		The charity	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
FIXED ASSETS					
Tangible fixed assets	11	42	116	35	60
Investments	12	-	-	1	1
		42	116	36	61
CURRENT ASSETS					
Debtors	15	931	1,532	1,576	1,265
Short term deposits and cash in hand		2,292	1,839	1,003	1,105
		3,223	3,371	2,579	2,370
LIABILITIES					
Creditors - due within one year	16-17	(1,311)	(1,488)	(1,179)	(1,115)
NET CURRENT ASSETS		1,912	1,883	1,400	1,255
Creditors - due after one year	18	-	(8)	-	-
NET ASSETS	19	1,954	1,991	1,436	1,316
FUNDS					
General funds		903	1,117	834	714
Restricted funds	20	1,051	874	602	602
TOTAL FUNDS		1,954	1,991	1,436	1,316

Approved by the directors on 20th June 2023 and signed on their behalf by



Emily Bushby
Honorary Treasurer

Consolidated statement of cash flows for the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities	A		
Net cash provided by / (used in) operating activities		444	(631)
Cash flows from investing activities			
Loss on disposal of fixed assets		52	
Purchase of equipment		(35)	(96)
Net cash provided by / (used in) investing activities		17	(96)
Cash flows from financing activities			
Cash inflows from new borrowing		(8)	8
Net cash (used in) provided by financing activities		(8)	8
Change in cash and cash equivalents in the year		453	(719)
Cash and cash equivalents at 1 January		1,839	2,558
Cash and cash equivalents at 31 December	B	2,292	1,839

A. Reconciliation of net income to net cash flow from operating activities

	2022 £'000	2021 £'000
Net(expenditure)/ income for the period	(37)	(273)
Adjusted for:		
Depreciation charges	57	81
Decrease / (increase) in debtors	601	(751)
Increase / (decrease) in creditors	(177)	312
Net cash (used in)/ provided by operating activities	444	(631)

B. Analysis of cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	2,292	1,839
Total cash and cash equivalents	2,292	1,839

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies

Statutory information

Forum for the Future is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address and principal place of business is 3rd Floor, 22-26 Paul Street, London EC2A 4QE.

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

Basis of consolidation

These financial statements consolidate the results of the charitable company and its wholly-owned or controlled subsidiaries Forum for the Future Asia Pacific Limited, Forum for the Future India Private Limited and Forum for the Future US Inc. on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. The amounts due to/from Forum for the Future and its subsidiaries are disclosed in aggregate in notes 16 and 17. Separate statements of financial activities, on income and expenditure accounts, for the subsidiaries are not presented because they have taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

Accounting estimates and assumptions

The Trustees do not consider that there are any estimates and assumptions at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Going concern

The financial statements have been prepared on the going concern basis. An organisation is considered a going concern if it is expected to continue its operations for the next twelve months. The Trustees formally review financial performance on a quarterly basis including consideration of a rolling 12-month cash flow forecast to ensure that Forum can continue to be considered a going concern.

In preparing these accounts the Trustees have reviewed the current income and expenditure and cashflow models together with current cash balances and secured pipeline. Based on these the Trustees consider Forum to be a going concern for the foreseeable future.

Income

Income is recognised in the financial statements when the charity has entitlement to the funds, it is probable income will be received and the amount can be measured reliably. Income that is received in advance and does not yet meet these income recognition criteria, is deferred. Income that is not yet received but meets the recognition criteria is accrued.

When there are any performance conditions attached to the grant agreements, the grant income is recognised when there is sufficient evidence that these conditions have been met.

Donated gifts and services are measured at their monetary value to the organisation and included under donations. An equal amount is included under the relevant expenditure category so the net income is nil.

Expenditure

Expenditure is accounted for on an accrual basis when there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Costs of raising funds relate to the costs incurred by the charitable company in generating voluntary income and any other costs related to the fundraising activities.

Expenditure on charitable activities includes the costs of delivering programmes and educational activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as incurred and included in the support costs except for those which are grant funded where VAT is charged directly to the projects.

Staff untaken holiday and untaken paid sabbaticals were calculated at staff actual salary rates as at the end of December 2022 and provided for in the statement of financial activities.

Grants given

Forum can only make grants to other organisations where these are in support of our charitable activities. At present these grants are limited to circumstances where we act as lead partner in relation to a particular programme of work and this has been agreed with the funder. The expenditure is recognised when the criteria for a constructive obligation has been met, payment is probable, it can be measured reliably and there are no conditions attached which limit its recognition.

Allocation of support costs

Support costs are apportioned to Forum's programmes in line with the direct spend on each programme. The type of costs that are allocated in this way include all office and technology costs, finance and people related costs.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Restricted funds represent income received for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the restricted fund.

Unrestricted funds represent the income received to pursue the general charitable objectives of the charity.

Foreign exchange

Expenditure in foreign currency is accounted for at the xe.com rates which are updated each month. The same treatment is applied to the income received. The balance sheet is revalued quarterly including at 31 December.

Operating leases

Rental charges are charged on a straight-line basis over the term of the lease.

Tangible fixed assets

Tangible fixed assets are stated at cost.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Fixed assets over the value of £500 are capitalised and the depreciation is charged on a straight-line basis over the asset's estimated useful life:

Improvements to leasehold properties	5 years
Furniture and fittings	5 years
Software development	5 years
Computers and office equipment	3 years

All fixed assets more than six years old are treated as having been disposed of in the financial statements.

Investments in subsidiaries

Investments in subsidiaries are recorded at cost.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments, which are payments received in advance, are valued at the net amount prepaid.

Cash at bank and in hand

Cash at bank and cash in hand consists of cash only.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pensions

The charity operates a group personal pension plan which is a direct contribution scheme. Contributions are charged to the statement of financial activities in the periods to which they relate. The charity has no liability under the scheme other than for the payment of those contributions.

2. Donations

	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Donations	26	-	26	87	18	105
Government job retention grants	-	15	15	-	27	27
Donated goods and services	-	-	-	38	-	38
	26	15	41	125	45	170

Government job retention grants included £15,000 (\$20,000) from the Singaporean government.

3. Income from charitable activities

	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Programme grants	-	2,707	2,611	-	1,687	1,687
Programme service contracts	3,487	-	3,487	3,073	-	3,073
Basecamp and Spark participant fees	139	-	139	194	-	194
Other income	1	-	1	3	-	3
	3,627	2,707	6,418	3,270	1,687	4,957

Income from charitable activities by programme and geography: 2022

	UK/Europe	Asia Pacific	India	US	2022 Total
	£'000	£'000	£'000	£'000	£'000
Purpose of Business	1,318	150	128	162	1,758
Food	525	303	-	911	1,739
Energy	351	81	17	147	596
Across/Beyond DUTs	807	310	-	23	1,140
School of System Change	573	-	-	145	718
Other	269	66	-	48	383
	3,843	910	145	1,436	6,334

DUTs are “deep and urgent transition areas” of Forum’s strategy – these are the Purpose of Business, Food, and Energy.

2021

	UK/Europe	Asia Pacific	India	US	2021 Total
	£'000	£'000	£'000	£'000	£'000
Purpose of Business	1,130	302	121	290	1,843
Food	321	105	-	413	839
Energy	114	17	10	251	392
Across/Beyond DUTs	880	155	-	186	1,221
School of System Change	189	-	-	186	375
Other	150	37	11	89	287
	2,784	616	142	1,415	4,957

2021 comparatives have been revised to reflect Forum's new charitable activities which reflects the categorisation of work in Forum's new 2023 to 2025 strategy.

4. Total expenditure

Charitable activities						
	Programmes	Communications	Total	Raising funds	Support costs	
	£'000	£'000	£'000	£'000	£'000	
Staff costs	3,219	369	3,588	145	662	4,395
Project costs	992	82	1,074	9	2	1,085
People			-		131	131
Office & technology			-		654	654
Finance			-		89	89
Governance			-		64	64
Total	4,211	451	4,662	154	1,602	6,418
Support cost apportioned:	1,401	149	1,550	52	(1,602)	-
Total expenditure	5,612	600	6,212	206	-	5,385

The support costs are apportioned to programmes on the basis of the total direct costs for each area of work.

Charitable activities

2021

	Programmes	Communications	Total	Raising funds	Support costs	2021Total
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	2,749	244	2,993	201	578	3,772
Project costs	811	59	870	19	-	889
People	-	-	-	-	88	88
Office & technology	-	-	-	-	482	482
Finance	-	-	-	-	109	109
Governance	-	-	-	-	45	45
Total	3,560	303	3,863	220	1,302	5,385
Support Costs	1,135	97	1,232	70	(1,302)	-
Total expenditure	4,695	400	5,095	290	-	5,385

Governance costs are further analysed below:

	2022 £'000	2021 £'000
Trustee meetings and expenses	7	-
Audit fees	42	38
Indemnity insurance	15	7
	64	45

5. Charitable expenditure by programme

	Programme costs	Grants given	Support costs	2022 Total	Programme costs	Grants given	Support costs	2021 Total
	£'000	£'000	£'000	£'000	£'000		£'000	£'000
Purpose of Business	842	93	231	1,166	1,003	97	328	1,428
Food	1,211	-	300	1,511	699	0	229	928
Energy	465	-	113	578	376	-	123	499
Across/Beyond DUTs	875	-	318	1,193	726	-	237	963
School of System Change	1,001	-	448	1,449	751	-	246	997
Other	175	-	140	315	211	-	69	280
	4,570	93	1,550	6,212	3,766	97	1,232	5,095

6. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £'000	2021 £'000
Salaries and wages	3,730	3,194
Redundancy and termination costs	14	-
Social security costs	354	292
Employer's contribution to pension schemes	297	286
	4,395	3,772

Staff based outside of the UK have salaries denominated in their local currency. In 2022 the GBP cost of salaries increased as the pound was weaker against these currencies.

The following number of employees received total employee benefits (excluding employer pension costs) within each of the following bands:

	2022 £'000	2021 £'000
£60,000 - £69,999	6	5
£70,000 - £79,999	2	1
£80,000 - £89,999	2	4
£90,000 - £99,999	3	-
£100,000 - £109,999	1	-
£110,000 - £119,999	1	4
£130,000 - £139,999	1	-

The key management personnel of Forum are the members of the Senior Management Team, consisting of the Chief Executive Officer, Chief Operating Officer, Chief Development and Communications Officer, Director of System Change Programmes, Director of System Change, Learning and Community, Director of UK/Europe, Director of Asia and Director of US. The total pay including employer's pension contributions to the senior management team in the year was £884,488 (2021: £875,990).

Total travel and subsistence expenses claimed by the trustees in 2022 were £6955.31 (2021: £0).

Pension scheme

Forum for the Future operates a contract based, individual money purchase arrangement with Aviva. As at 31 December 2021 there was one month payment owed to Aviva for the total of £17,600 (2021: £18,300) which was paid on 10 January 2023. There were 49 (2021: 52) staff enrolled on the pension scheme at the end of December 2022. Pension arrangements in APAC for Singaporeans are obligatory statutory payments to the Central Provident Fund. In the US the pension is arranged with TransAmerica and is a defined contribution scheme. There is no statutory obligation in India to provide a pension scheme for an organisation with under 20 staff.

7. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 80 (2021: 76). The average full-time equivalent analysed by function was as follows:

	2022	2021
	No.	No.
Raising funds	2.2	3.0
Programmes	50.7	52.0
Communications	7.0	4.4
Support	12.4	11.6
Governance	0.5	0.4
	72.8	71.4

8. Net Expenditure for the year

	2021 £'000	2020 £'000
This is stated after charging:		
Depreciation	58	81
Operating lease rentals:		
I property	159	174
Forum for the Future Group auditors' remuneration (excluding VAT):		
I audit fee	22	17
I grant audit	1	-
Forum for the Future Asia Pacific Limited auditors' remuneration:		
I audit	7	5
Forum for the Future India Private Limited auditors' remuneration:		
I audit	2	4
Forum for the Future US Inc. auditors' remuneration:		
I audit	11	8
Foreign exchange gains/(losses)	(6)	15
Removal of lease capitalisation	(52)	-

9. Related party transactions

A donation of £418 was received from a trustee in 2022. (2021: £8,000).

Jonathan Wates is a trustee of Forum for the Future and is a director of the Wates Family Group. Forum received a donation of £10,000 from The Wates Family Entity in 2022. (2021: £5,000).

Andrew Winston is a director and founder of Andrew Winston LLC. Forum paid £2,000 to Andrew Winston LLC in 2022 for consultancy services (2021: nil). These goods were purchased on an arm's length basis and the costs were fully passed through to a funding partner. There were no amounts outstanding to or from the company at the period end (2021 – nil).

Forum for the Future has taken the exemptions conferred by paragraph 33 1A of FRS 102 in respect of disclosing transactions with group entities on the basis that the subsidiaries are wholly controlled and group accounts are prepared.

10. Taxation

The charity is exempt from UK corporation tax as all its income is charitable and is applied for charitable purposes.

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. Forum for the Future India Private Limited, which is registered in India, is liable for the income tax on profits. The provision for 2022 is £46,000 (2021: £7,000).

11. Tangible fixed assets

The group	Improvements to leasehold property	Furniture and fittings	Computer, office equipment & software	Total
	£'000	£'000	£'000	£'000
Cost				
At the start of the year	81	3	270	354
Additions in year	-	-	35	35
Disposals in year	(81)	-	-	(81)
At the end of the year	-	3	305	308
Depreciation				
At the start of the year	29	-	208	238
Charge for the year	-	1	57	57
Disposals in year	(29)	-	-	(29)
At the end of the year	-	1	208	266
Net book value				
At the end of the year	-	2	40	42
At the start of the year	52	3	62	116

All of the assets are used for charitable purposes.

The charity	Improvements to leasehold property	Furniture and fittings	Computer, office equipment & software	Total
	£'000	£'000	£'000	£'000
Cost				
At the start of the year	-	3	238	241
Additions in year	-		31	31
Disposals in year	-		-	-
At the end of the year	-	3	269	241
Depreciation				
At the start of the year	-	-	180	181
Charge for the year	-	1	56	56
Disposals in year	-		-	-
At the end of the year	-	1	236	237
Net book value				
At the end of the year	-	2	33	36
At the start of the year	-	3	58	60

12. Investments

The charity investments consist of the following entities:

Entity	Type	No of shares/ cost
Forum for the Future Asia Pacific Limited	subsidiary charitable company	-
Forum for the Future India Private Limited	subsidiary limited company	9,999 shares at £0.1 (INR 10) Dilutive earning per share £0.1084
Forum for the Future US Inc.	subsidiary not for profit	-
Green Futures Limited	dormant trading company	2 shares at £1 each

On 20 February 2023, Green Futures Limited, was sold to Jonathon Porritt for £100. Jonathon Porritt was an employee of Forum for the Future at this date. The value of the sale reflected the book value of the entity which had been dormant since incorporation and did not hold any assets.

13. Subsidiary undertakings

Forum for the Future Asia Pacific Limited

The charitable company is the sole member of Forum for the Future Asia Pacific Limited, a company limited by guarantee, registered as a company and a charity in Singapore. All activities have been consolidated on a line by line basis in the statement of financial activities. The company accounts for Forum for the Future Asia Pacific Limited are audited separately by Moore Stephens LLP. The figures are then consolidated into the group accounts. Although this subsidiary has negative reserves, this remains supported by the parent and a going concern.

	2022	2021
	£'000	£'000
Income	969	744
Direct costs	(814)	(658)
Net income	155	86
Administrative expenses	(287)	(173)
Deficit for the year	(132)	(87)
Foreign exchange gains/(losses)	17	(10)
Deficit for the year	(115)	(97)
The aggregate of the assets, liabilities and funds was:		
Assets	494	417
Liabilities	(682)	(490)
Funds	(188)	(73)

Forum for the Future has awarded Forum for the Future Asia Pacific Limited a £188k grant equal to the negative funds of the subsidiary at 31 December 2022. This has been accrued for in the UK entity results but has not been recognised by the subsidiary until after the 31 December 2022 year end.

Forum for the Future India Private Limited

The charitable company owns 99.99% of the issued ordinary share capital of Forum for the Future India Private Limited, a company limited by shares and registered in India. The company accounts for the period from 1 April 2021 to 31 March 2022 were audited by Kumar Gandhi and Associates. Interim

unaudited accounts for the period 1 January 2022 – 31 December 2022 were prepared and results consolidated into the group accounts.

	2021	2021
	£'000	£'000
Income	385	253
Direct costs	(154)	(162)
Net income	231	91
Administrative expenses	(140)	(65)
Provision for taxes	-	(6)
Profit for the year	91	20
Foreign exchange losses	(37)	(13)
Profit for the year	54	7

The aggregate of the assets, liabilities and funds was:

Assets	272	257
Liabilities	(50)	(89)
Share capital	(1)	(1)
Funds	221	167

Forum for the Future US Inc.

The US operation is a not-for-profit under Section 501(c)(3) of the Internal Revenue Code. The accounts are separately audited by Skody Scot & Company and consolidated as part of the Forum Group.

	2022	2021
	£'000	£'000
Income	1,572	1,602
Direct costs	(1,304)	(1,412)
Net income	268	190
Administrative expenses	(543)	(487)
Deficit for the year	(275)	(297)
Foreign exchange losses	3	19
Deficit for the year	(272)	(278)

The aggregate of the assets, liabilities and funds was:

Assets	527	774
Liabilities	(217)	(192)
Funds	310	582

14. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2022	2021
	£'000	£'000
Gross income	5,423	4,637
Surplus for the year	121	95

15. Debtors

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	661	1,108	463	867
Other debtors and prepayments	215	174	89	80
Amounts due from subsidiaries	-	-	991	255
Accrued income	55	250	33	63
	931	1,532	1,576	1,265

16. Creditors: amounts due within one year

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	50	78	46	37
Other creditors	171	275	136	193
Amounts due to subsidiaries	-	-	337	138
Accruals	216	236	169	187
Deferred income	874	899	491	560
	1,331	1,488	1,179	1,115

17. Deferred income

Movements on deferred income were as follows:

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Deferred income brought forward	899	775	560	337
Amount released to income in the year	(899)	(775)	(560)	(337)
Amount deferred in the year	874	899	491	560
Balance at the end of the year	874	899	491	560

18. Creditors due after one year

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Creditors - due after one year	-	8	-	-
	-	8	-	-

19. Current year analysis of group net assets between funds

	Unrestricted	Restricted	Total funds
	£'000	£'000	£'000
Tangible fixed assets	42	-	42
Net current assets	861	1,051	1,912
Net assets at the end of the year	903	1,051	1,954

Prior year analysis of group net assets between funds

	Unrestricted £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	92	24	116
Net current assets	1,025	850	1,875
Net assets at the end of the year	1,117	874	1,991

20. Movement in restricted funds

	Note	At the start of 2022 £'000	Income £'000	Expenditure £'000	At the end of 2022 £'000
Funding by programme					
Purpose of Business	a	63	344	(343)	64
Food	b	547	1,235	(1,030)	752
Energy	c	56	429	(339)	146
Across/Beyond DUTs	d	91	509	(542)	58
School of System Change	e	91	130	(190)	31
Other		26	60	(86)	-
Job retention schemes		0	15	(15)	-
		874	2,722	(2,545)	1,051

- a) This represents the funding received carried forwards from Laudes Foundation for the Cotton 2040 project (£64,000)
- b) The funding carried forward included funds from Co-Op Foundation (£70,000), David Rockefeller Foundation (£41,000), John Ellerman Foundation (£70,000), Peoples Postcode Lottery (£31,000), Sequoia Climate Foundation (£171,000), VF Foundation (£114,000), and Walmart Foundation (£255,000).
- c) The funding carried forward included funds from MacArthur Foundation (£72,000) and SED Fund (£74,000)
- d) The funding carried forward included from Friends Provident Foundation (£29,000) and Joseph Rowntree Charitable Trust (£17,000)
- e) This represents the funding carried forward from Lankelly Chase Foundation for Illuminate field building project.

Movement in restricted funds 2021:

	At the start of 2021 £'000	Income £'000	Expenditure £'000	At the end of 2021 £'000
Funding by programme				
Funding by programme	163	479	(579)	63
Purpose of Business	721	273	(447)	547
Food	0	415	(359)	56
Energy	67	442	(418)	91
Across/Beyond DUTs	378	56	(343)	91
School of System Change	0	27	(1)	26
Other	0	40	(40)	-
	1,329	1,732	(2,187)	874

21. Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases are as follows for each of the following periods:

	Property	
	2022 £'000	2021 £'000
Payments due:		
Within one year	117	53
Within two to five years	197	59
	314	112

22. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.