

GUIDELINES FOR ETHICAL INVESTMENT OF THE KARIBU FOUNDATIONS FINANCIAL ASSETS

DECEMBER 2013

This translation is for information purposes only. Legal authenticity remains with the original Norwegian version.

1. Financial Assets of the Karibu Foundation

Karibu's financial assets, together with the platform and profile (basisdokument) and partner network, are the main basis and resource for the foundation. The Board manages the capital based on an approved framework that describes the level of flexibility of the allocations within the various investment alternatives.

2. Ethics and Investments

Karibus Board wishes to ensure the management of our investments follows clear ethical principles. The foundation acknowledges its ethical responsibility related to the social, economic, political and human rights issues that are affected by its financial investments. Furthermore, the foundation has a moral commitment that must take into account climate change, concern for creation, and future generations. Finally, the foundation wants to emphasize the views expressed by our partners and their efforts for just and sustainable development.

3. Management of the financial assets

Management of the financial assets is done through investments that the foundation considers as legitimate ways to generate returns. There is an underlying desire of the foundation's donor that the capital must "do good," and there is an overriding goal that capital should generate returns that put the foundation in a position to realize its actual goals related to partner organizations internationally.

4. Management of the financial assets in the stock market

The Investment Committee is mandated to manage the financial assets that are invested in stocks, in accordance with the approved plan. The Investment Committee obtains external expertise by utilizing professional assets managers. Carnegie Asset Management (CMA) in Norway currently coordinates this.

5. Framework for Karibu's investment in the stock market

- i) Karibu will invest its capital with a primary objective of ensuring good returns on its investments
- ii) It is an aim that Karibus investments to do have unacceptable ethical impacts, and are in line with green, socially conscious, and human rights-based financial management. These objectives should be included in the ethical screenings taken by the external managers.

- iii) Karibu will make its investments based on an assessment of the ethical conditions associated with the companies and organizations that the foundation has its capital invested in. This assessment is based on the screening and analysis by credible actors in the field (through negative screening). The assessment is facilitated by our assets managers (CAM).
- iv) Critical situations related to the investment of the capital will be dealt with by the Investment Committee, and will be brought forward to the Board of Karibu for consideration. The Board will then determine whether steps should be taken to alter the investments that are conflicting with the ethical principles of the foundation.

6. Administrative procedures for ethical review of Karibu's investments in the stock market

Karibu will carry out the following actions:

- A- The Investment Committee will perform an annual review of Karibu's portfolio, and of the specific investments made by the external assets managers. The assets managers will provide information about Karibu's investments.
- B- The Investment Committee will carry out an annual review based on challenges presented to the foundation by partners in the Global South and North related to investments. The Investment Committee will determine the relevance of such challenges to Karibu and the foundation's investments.
- C- Any matter related to ethical conditions of the financial assets will be brought to the Board of Karibu with prior consultation of the Investment Committee.
- D- The Investment Committee will make recommendations to the Board on actions the foundation should take if concrete circumstances arise where the foundation cannot ethically justify their investments. In such situations, Karibu can use the following actions:
 - Written notification about ethical considerations to the involved actors
 - Invitation to discussion and dialogue for further clarification of Karibu's position
 - Extraction of Karibu's investment from the relevant party, in the event that the situation that is ethically unjustifiable for Karibu is not changed