

ChildFund International (ChildFund) is pleased to work with corporations to advance its mission of helping deprived, excluded and vulnerable children living in poverty become leaders of enduring change. This document provides prospective companies with a clear understanding of the types of corporate relationships ChildFund seeks, the guidelines under which such relationships are contracted, and the parameters through which ChildFund International works. We deeply appreciate your interest in building a strategic, mutually beneficial relationship with ChildFund. We look forward to collaborating with you.

General Guidelines:

Mission-driven — ChildFund seeks relationships with companies committed to advancing its mission to help deprived, excluded and vulnerable children living in poverty have the capacity to become young adults, parents and leaders who bring lasting and positive change to their communities; and to promote societies whose individuals and institutions participate in valuing, protecting, and advancing the worth and the rights of children.

Vision — The vision of ChildFund's corporate relations initiative is to build long-term, mutually beneficial, integrated relationships with corporations willing to provide funds, in-kind resources, knowledge-share, employee and customer engagement, introductions and networking opportunities, and marketing muscle to advance ChildFund's mission.

Long-term Relationships — To maximize the benefits for both the company and ChildFund, we seek relationships with a long-term outlook and multi-year commitment (preferably a minimum of three years).

Mutually Beneficial — ChildFund's idea of creating a mutually beneficial alliance is that both parties win: ChildFund receives support to advance its mission and the company advances its commitment to social responsibility, strengthens the core of its brand, and engages its employees and customers. Mutual interests and goals are identified; impact is measured. Both parties benefit from their investment of valuable time and resources.

Integrated — The most successful corporate relationships are those that are authentic, organic and woven into the fabric of each organization.

Core Values: ChildFund asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labor standards, the environment and anti-corruption.

- **Human Rights:** Businesses should support and respect the protection of internationally proclaimed human rights, and make sure that they are not complicit in human rights abuses.
- **Labor:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labor; the effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation.
- **Environment:** Businesses are asked to support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.

- **Anti-corruption:** Businesses should work against corruption in all its forms, including extortion and bribery.

Principles for Corporate Engagement:

Any corporate relationship with ChildFund International shall adhere to the following principles:

International Focus — ChildFund is responsible for benefiting children worldwide, yet will negotiate corporate relationships focused on a key region, country, life stage or social issue. ChildFund may also pilot programs in a limited number of locations prior to considering a wider rollout.

Brand Alignment — ChildFund screens each prospective corporate relationship for appropriate brand alignment, history of corporate social responsibility and philanthropy, financial health, public opinion, and any obvious violations of environmental, labor, human rights, anti-corruption, ethical and/or business practices.

Appropriate Relationships — ChildFund examines and crafts each corporate relationship on an individual basis. Generally speaking, ChildFund will heavily scrutinize any relationships with companies in controversial industries, such as tobacco, alcohol, firearms, defense, gambling and extractive resources and will not enter into contractual relationships with companies known to actively promote, support or participate in exploitative practices, such as use of child pornography or child labor.

ChildFund considers which ways the corporation’s support may be acceptable, and which forms are not. ChildFund may elect to accept corporate, employee or customer donations, volunteer support, in-kind products or philanthropic grants, if deemed appropriate from said companies, yet might refuse to engage in consumer-facing, cause marketing promotions (defined as the purchase of a product generates proceeds for the charity) or event sponsorship with such industries. ChildFund’s executive team shall decide whether or not to pursue the relationship and on what terms, based on the specifics of the proposed alliance.

Use of ChildFund Marks — ChildFund owns registered Marks, including the name, logo, tagline ChildFund International®, and an array of other licensed Marks. Permission is required for use of any and all of ChildFund licensed Marks. A party that seeks to obtain permission to use these licensed Marks must execute a written licensing agreement with ChildFund. Until a licensing agreement is executed, use of the Marks is strictly prohibited.

Right to Protect — Relationships must not compromise the independence, reputation, credibility or not-for-profit tax status of ChildFund. If there is a possibility that the independence, reputation, credibility or not-for-profit tax status of ChildFund might be jeopardized by a relationship, ChildFund retains the right to immediately reject and/or withdraw from it. A clause to this effect must be included in all contracts with any organization.

Compliance with ChildFund Policies — Activities with companies must be carried out by ChildFund staff in concert with all other ChildFund policies, including position statements and brand guidelines, conflict of interest and employment policies, Fundraising Standards, and other procedures.

Stable Relationships — ChildFund seeks corporate relationships with companies that have a proven track record of sustainability, ideally having been in business a minimum of three years (exceptions may apply).

Launch Restrictions — The corporate relationship shall not be announced and/or “launched” either internally or externally before receipt of a mutually signed contract and payment of advance funding, if any, by the corporation to ChildFund.

Cause Marketing and Promotional Guidelines:

Graphic Standards/Brand Identity — Any use of the ChildFund Marks in a promotional environment by a corporate sponsor must have an executed licensing agreement, adhere to ChildFund’s graphic standards and brand identity guide, and be reviewed and approved in writing by the vice president of global marketing or other authorized staff prior to publication.

Imagery & Positioning — Any advertising or promotional materials produced by a corporate sponsor using ChildFund’s brand must be compatible with ChildFund’s positioning and focus on sustainable changes in the lives of children, and must be approved in advance by ChildFund. Copy, imagery or talking points may never be used in conjunction with terminology that is contrary to ChildFund’s mission.

Endorsements — So as not to incur unrelated business income taxes (pursuant to IRC 513(i)) or mislead consumers, ChildFund will not provide the substantial return benefit of offering *specific* opinions, recommendations, “seals of approval,” or make statements or take actions that are or can be perceived or construed as endorsements related to any company’s products and/or services. ChildFund will not make direct, specific and/or superlative statements about a specific company’s products or services, such as “the best,” “the only one that works,” “the only one you should use” or a statement that implies that ChildFund has tested, used or researched such product or service and offers an opinion. This is different from assigning “official” sponsorship category rights.

Proceeds Disclosure — ChildFund is dedicated to protecting its good name and Marks, and to providing full transparency and accountability in its fundraising and cause marketing endeavors as advocated by global standards, including the European Fundraising Association’s *International Statement of Ethical Principles in Fundraising* and the International Committee on Fundraising Organizations’ *International Standards*. Thus, any use of the ChildFund name or Marks in conjunction with the cause marketing sale of a product or service requires written disclosure of the specific dollars and/or percentage that ChildFund will receive from the sale of such product or service, the duration of the campaign, any guaranteed minimum and maximum contributions, and contact information for ChildFund. The disclosure copy appearing in the United States must adhere to the *Council of Better Business Bureau’s Wise Giving Alliance Standards* (www.bbb.org/us/Charity-Standards/). To ensure that our supporters, donors, volunteers, staff and public-at-large respect any promotions being conducted to support ChildFund, we recommend a minimum contribution to ChildFund of ten (10) percent of the retail price for a product or service.

Activation — Corporate sponsors are highly encouraged to demonstrate a 2:1 activation/sponsorship ratio, meaning the sponsor earmarks a minimum spend of \$2 in marketing, advertising or PR dollars to “activate” the strategic alliance for every \$1 spent in corporate sponsorship fees. This commitment demonstrates the company’s ability and willingness to leverage its cause branding goals and to engage consumers and employees in the alliance.

Books, Music & Films — ChildFund reserves engagement in cause marketing with book, music and film relationships to those which provide an advance, minimum guarantee to the charity.

Rights and Benefits for Corporate Sponsors:

Exclusive Provider Rights — ChildFund does not offer exclusive provider rights of business services or products through its corporate alliances initiative. This is different from, and should not be confused with, sponsor industry or category rights.

Acknowledgment vs. Advertising — So that ChildFund does not subject itself to unrelated business income tax or jeopardize its nonprofit status, ChildFund works aggressively to acknowledge its corporate supporters and educate its constituents about their generosity through efforts governed by the IRS. ChildFund avoids promotional activities clearly described by the IRS as constituting a substantial return benefit.

Exclusive Sponsor Industry/Category Rights — ChildFund welcomes support from all sources and strives not to limit its support. Yet, ChildFund also recognizes that corporate sponsors want unique opportunities. Hence, ChildFund may grant exclusive *industry* (such as the pharmaceutical, retail, telecommunications or banking industries) or *category* (such as fruit juice, nuts, paper goods or soap) rights to its top-tier sponsors for the *specific platform or initiative being championed*. This is different from and does not include exclusive provider rights.

Accounting Preferences for Corporate Relationships:

To maximize ChildFund’s ability to direct funds to areas of greatest need, ChildFund uses its best efforts to adhere to the following accounting preferences:

Unrestricted Funds — ChildFund seeks, whenever possible, to secure unrestricted funds from its corporate relations initiatives. While a corporate sponsor may financially “champion” or use its marketing resources to raise awareness for a particular project, issue and/or effort, ChildFund *prefers*, whenever possible, to record the funding as unrestricted so that it may direct funds upon its discretion to achieve the mission.

Control Over Use of Funds — ChildFund includes “variance power” language, as defined by the Financial Accounting Standards Board (FASB 136), in its contracts with corporate sponsors so that it maintains control of funds received from sponsorship fees, promotional proceeds, royalty income, and employee- and consumer-giving contributions. Funds are distributed to areas of greatest need, determined by ChildFund’s executive team.

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Appendix II

Due Diligence Analysis:

When ChildFund International leads a negotiation with a corporation or association headquartered in its promotional and/or program territory, ChildFund considers the appropriateness of the proposed relationship according to the following due diligence procedures. This process includes, but is not limited to, an online search of the following sites:

- Company's annual report and website
- LexisNexis® or WestlawNext
- Dun & Bradstreet
- The Business & Human Rights Resource Centre
 - o <http://www.business-humanrights.org>
- Google
- Amnesty International's Business and Economic Relations Network
 - o <http://www.amnesty.org.uk/>
 - o <http://www.protectthehuman.com>

The due diligence process seeks to discover the company's brand positioning, history of corporate social responsibility and philanthropy, its overall financial health, and any obvious violations of environmental, labor, human rights, anti-corruption, ethical and/or business practices. Additionally, ChildFund searches for any rampant controversy, unfavorable media relations and/or widespread, negative public opinion.

As a result of this process, ChildFund may elect, for any reason, to either pursue or not pursue a strategic corporate relationship.

Should any ChildFund Alliance member(s) be involved in the corporate relationship via a memorandum of understanding (MOU), then ChildFund shall provide the other participating member(s) with a top-line summary of the findings. Should ChildFund International be involved in a corporate relationship brought forth by and with a company headquartered in the program and/or promotional territory of an Alliance member, then ChildFund International shall request a similar summary from the Alliance member serving as the lead contact.