

CORPORATE PARTNERSHIPS RISK ASSESSMENT - UNAPPROVED NOTES FOR DEVELOPING FRAMEWORK

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ChildFund International's corporate partnership policy and procedures apply to corporations (including multinational corporations) and foundations of corporations that have their headquarters located in the United States. Risk assessment and due diligence does not need to be done on every corporate or corporate foundation prospect, but it should be done once active conversations regarding a potential partnership is taking place and must be completed prior to any proposal submission.

RISK LEVELS: Risk level must first be determined by completing our one-page corporate partnership risk assessment to accompany an automated screening report.

a) BLACK (We will never engage)

- i. We will not work with corporations whose core business is weapons manufacturing or pornography.
- ii. We will not work with corporations proven to actively engage in illegal or inherently harmful practices, such as child labor, human rights abuses or corruption.

b) RED (Higher Risk) – requires comprehensive due diligence and multiple sign-offs to proceed.

i. Industries:

1. Alcohol
2. Tobacco growers and manufacturers
3. Companies in violation of Breast Milk Substitute International Marketing Codes
4. Extractives (Oil, Gas, Mining)
5. Judgement in violation of labor laws (within last two years)

c) YELLOW (Medium Risk) – requires CDMO(?) review of due diligence and approval.

i. Industries:

1. Gaming/Gambling?
2. Pharmaceuticals?

- ii. Recent (within last two years) negative publicity.

d) GREEN (Lower Risk) – no further due diligence required other than initial screening.

RISK ASSESSMENT TEMPLATES BEING DEVELOPED:

- Initial Partnership Risk Level Assessment Checklist and Automated Screening: All levels.
- Yellow Due Diligence Report
- Red Due Diligence Report

EXCEPTION: This policy does not apply to workplace giving, where donations are coming from employees through their payroll and/or corporate matching of their gifts. We will passively accept donations from employees working at a company that is within our “do not engage” category, but we will not actively seek or promote a workplace giving partnership with these corporations. For example, we receive working giving and matching gifts through Lockheed Martin, a major weapons manufacturer, but we would not accept a direct contribution or grant from Lockheed Martin Corporation or its corporate foundation, nor would we attend an event to promote ChildFund at their offices. For more information or updates on ChildFund International's new corporate partnership policy and tools being developed, please contact Christina Becherer at cbecherer@childfund.org.