



Principles for Social Investment (PSI)

- Principle 1: Purposeful
- Principle 2: Accountable
- Principle 3: Respectful
- Principle 4: Ethical



1. Responsible social investment is PURPOSEFUL.

Definition: Purposeful social investment is provided in a limited set of priorities about which the investor knows, understands, and is committed, and for which the investor is measurably assured to play a positive role and does not expect or unnecessarily duplicate the efforts of other contributors.

Operating advice:

- Clearly define your social investment strategy, objectives, and metrics against which all investments and activities will be measured and evaluated.
- Create a funding mission and portfolio that reflects our organization's capacity, and aligns fit the resources and strategies of your organization and those of your chosen partners.
- Ensure that all partners have well-defined roles and responsibilities, and that they understand our organization's grant-making criteria, priorities, and goals.
- Apply high standards of due diligence and strategic planning to the funding selection process.
- Investigate before opportunities arise to maximize efforts, activities, and outcomes linked to your priority funding areas.

2. Responsible social investment is ACCOUNTABLE.

Definition: Accountable social investment takes responsibility for the intended and unintended effects of their funding, and ensures the accuracy of transparency and self-assessment.

Operating advice:

- Throughout the grant lifecycle, monitor progress toward clear and measurable impact goals and objectives, evaluate the effectiveness of initiatives, and the role responsible in all strategies and funding configurations.
- Ensure that partner organizations have the capacity to safeguard and apply restricted resources effectively.
- Use an accepted framework for measurement to assess contributions, complexity, and accuracy; institute controls to protect assets, manage investment risk, and build accounts.
- Regularly communicate information on grant-making intent, priorities, and contributions to our community and other members that sets stakeholder expectations appropriately.
- Address maladministration or unintended consequences arising from social investments in a complete and timely manner.
- Seek to contribute to the ongoing dialogue on local practice with other funders, and partners, and engage in relevant benchmarking exercises.

3. Responsible social investment is RESPECTFUL.

Definition: Responsible social investment has due regard for the local culture, traditions, religion, and priorities of partners, both individuals and groups.

Operating advice:

- Treat program participants and local communities as individuals and as well as understanding their capacities, experiences, and capabilities. Work to ensure that funding goals align with local circumstances and priorities.
- Proactively identify existing and potential relationships with project stakeholders, assessing their values, interests, and willingness to collaborate before embarking on projects that affect them.
- Enable partner organizations, local communities, and program participants to take part in the design, goal setting, implementation, evaluation, and ongoing refinement of social investments.
- Social investment efforts should align fit and hold on existing capacities and initiatives.
- Engage local communities, program participants and partner institutions to work on the benefits of the investment, ensuring that capacity strengthening is a key component of sustainable social investment.

4. Responsible social investment is ETHICAL.

Definition: Ethical social investment is an effort to provide that employs only legitimate and appropriate means, and to adhere to, proper rules, to assessments fit applicable laws and accepted international norms of behavior.

Operating advice:

- Operate in a manner that is consistent with international human rights, for ethical conduct with a particular emphasis on the United Nations' ten principles.
- Support, facilitate, and uphold high standards of governance.
- Prevent or resolve conflicts of interest.
- Establish mechanisms that facilitate and protect the reporting of unethical behavior.

