



ANNUAL REPORT

2019

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2.

THE WORK OF KAVLI TRUST 2019

_2.1

_ Purpose and tasks of Kavli Trust

O. Kavli and Knut Kavli's Charitable Trust (Kavli Trust) owns Kavli Holding AS (Kavli Group) and it is this ownership that enables the charitable work of Kavli Trust. Part of the profit from the Kavli Group is reinvested in order to strengthen and develop the business, while the rest is spent on charitable causes within the fields of humanitarian work, scientific research and culture. Additionally, a separate financial portfolio is managed that equalises both the non-profit activity and any capital requirements of the Kavli Group.

The Kavli Group was established in 1893. In 1962 Knut Kavli, son of the founder Olav Kavli, transferred ownership of the Group to the Kavli Trust. Profit gained from this ownership finances Kavli Trust's charitable activities. The Kavli Trust allocates these profits to humanitarian, cultural and scientific causes, in line with Olav Kavli's will.

Charitable work is the overall purpose of Kavli Trust. For this to be possible and in order to develop further, the exercise of ownership and the control of the Trust's financial resources must be safeguarded and managed in a way that creates further value.

Allocations of funds by the Trust have significantly increased over the last years. From 2011-2018, Kavli Trust's allocations have increased from NOK 20.6 million in 2011 to NOK 131.2 million in 2018. In 2019 the allocations amounted to NOK 117.78 million.

The strategy is revised yearly, and

in October 2019 the Board adopted a new edition of the document *Governance and development of Kavli Trust* as a basis for future work and development of the trust fund. The new strategy prioritises fewer, but larger and more long term projects. Geographically, 70 percent of the funding is allocated to projects in Norway, Sweden, Finland and the UK. The other 30 percent of funding is allocated to projects in Kenya, Ethiopia, South-Africa and Nepal. Kavli Trust continues to fund ongoing projects in other countries, but will not expand the portfolio with new



projects in any countries other than those mentioned above.

On the whole, Kavli Trust seeks out projects to fund that fit within the parameters of this strategy. The intention is that any funding from Kavli Trust will generate a ripple effect, which is why projects are chosen that have the capacity for growth and to become, in the long-term, self-financing. Any collaborative work is extensive and characterised by close contact and reporting. Furthermore, Kavli Trust is more concerned with the effect of the funding rather than the

allocated figure itself.

In accordance with the objectives of our adopted communication strategies and brand positioning strategy (BPS), Kavli Trust has in recent years worked to increase visibility and knowledge of the Trust and its work, the projects we fund, and making our ownership structure known. The unique qualities of the Kavli Group are only apparent when seeing the trust fund and the companies of the Kavli Group in context.

A planned escalation of the Kavli Trust communication work has resulted in a significant, and documented increase in visibility and knowledge of the Trust in recent years.

The various businesses that make up the Kavli Group generally function independently, however all refer to the Kavli Trust ownership structure and aim to forge a connection between Kavli products, consumers and the Trust's charitable work. A core objective of Kavli Trust is to share information about the projects we fund. This is done on our website, through social media and via media coverage of our collaborative partners and campaigns.

We strive to be open, accessible and engaging in our communication, so that consumers can easily get information about what they are supporting when choosing Kavli products.

Kavli Trust also aims to support and contribute to the communication work carried out by our collaborative partners. By sharing information about their work in our communication channels, offering advice, knowledge and, in some instances, communication resources, we continue to fulfil the mandate of Kavli Trust.

New slogan for 2019: Love to share!

In 2018 and 2019, Kavli Trust and Kavli Norway worked together to develop a communication platform with the aim of increasing awareness of the history of the Kavli Group and the ownership structure of Kavli Trust.

The collaboration consisted of a steering committee with representatives from the Kavli Trust board and administration, the management of Kavli Holding AS, and the management of Kavli Norway. A smaller working group was responsible for the development of new concepts together with the advertising agency POL.

A result of the collaboration was the new slogan *Del med glede* (Love to share). An advertisement, featuring the new slogan, was produced and aired on TV and cinemas in Norway in the autumn of 2019.

The film tells the story of how Kavli is owned by Kavli Trust, which allocates all of its profits to good causes. In this way, consumers get to know that every time they choose a product from one of the companies in the Kavli Group, they are making a difference through the Kavli Trust.

As well as the advertisement, a separate campaign was rolled out on social media, in the form of short films presenting the various projects funded by Kavli Trust.

The campaign has been very well received, both by the Kavli Group and among consumers. Adapted versions of the films have been produced for the British and Swedish market ("Love to share" and "Dela med glädje"). The Kavli companies in Britain and Sweden are working on similar campaigns due to be rolled out in 2020.



LOVE TO
share

DELA MED
glädje

DEL MED
glede

2.2 The Board

The Board of Kavli Trust is required to have in-depth knowledge of the business side of the Kavli Group alongside experience within the culture sector, science or humanitarian work. A minimum of one board member must have expertise in finance or investment.

The board composition of 2019:

Aksel Mjøs	-chair
Solfrid Lind	-trustee
Dag J. Opedal	-trustee
Lise Hammergren	-trustee
(from 14 June 2019)	

During 2019, the Board of Kavli Trust held six minuted board meetings and six minuted phone and email meetings. The End of Year Financial Report and the Annual Report for 2018 were approved by the Board in the board meeting of 25 April 2019.

The Annual General Meeting for Kavli Holding AS was held on 5 June 2019.



Aksel Mjøs



Solfrid Lind



Lise Hammergren



Dag J. Opedal

2.3 Administration

There are 3.1 full time equivalents (FTEs) in the administration. Inger Elise Iversen is the General Manager. Kavli Trust's address is Sandbrekkeveien 91, Nesttun, Bergen. The head office is in Bergen.



Inger Elise Iversen

2.4 Accountant

Kavli Trust's state authorised accountant is Hallvard Aarø of PricewaterhouseCoopers AS.



_3.

OWNERSHIP IN THE KAVLI GROUP

The Kavli Group is one of Norway's largest, oldest and most prominent international food producing companies with its own production facilities in Norway, Sweden, Finland and the UK. Income is generated from the sale of foods under the Kavli brand and strong local brands such as St. Helen's Farm, Primula, Druvan, Eriks and Q-meieriene (Q dairies) in the Nordic countries and the UK. The Kavli Group is owned 100 percent by Kavli Trust through Kavli Holding AS. The Board of Kavli Trust constitutes the Annual General Meeting (AGM) of the Kavli Group. Finn Jebsen is the chair of the board in the Kavli Group holding company Kavli Holding AS, and the Kavli Trust trustees, Aksel Mjøs and Dag J Opedal, represent the Kavli Trust



on the Board of Kavli Holding AS. Employees of the Kavli Group are proud to work for an organisation that helps others. Every year, all employees in the four different countries nominate and vote for a selection of local projects to receive funding.

The Board of Kavli Trust is kept up to date on the Group's activities and performance development through briefings at board meetings and strategy meetings by Finn Jebsen and CEO of the Kavli Group, Erik Volden.

Kavli Holding AS had operating revenues of NOK 3.7 billion in 2019, compared to 3.5 million in 2018, and an annual after-tax return of NOK 79.2 million compared to 178.0 million the year before. Dividends received by Kavli Trust



and recognised as income in 2020 were set at NOK 73 million.

The Board recognises that the Kavli Group has challenges in relation to parts of the operations in Britain and in Finland. The construction of a new dairy plant on Jæren, on the west coast of Norway, represents the largest investment in the history of the Kavli Group and is a particularly demanding task.

The Board is satisfied with the overall development of the Group, both in terms of financial growth and the continuous positive market development of core products. The board fully trusts the management of the Kavli Group to hold their responsibilities in the best possible way, and will continue to be a committed and well informed owner.



4.

FINANCE AND MANAGEMENT

Kavli Trust's income source is a combination of annual dividends from Kavli Holding AS, interest on loans to Kavli Holding AS and returns from our own financial means. As per the Kavli Trust strategy, the aim is to build up a separate capital reserve so that, if necessary, it can provide capital injections to the Kavli Group and ensure that the non-profit activity does not depend on annual dividends from Kavli Holding AS. Furthermore, the investment portfolio contributes to a risk-based balancing of the total assets of Kavli Trust.

The Board attaches considerable importance to a management strategy that limits the risk of investing. The Board has, on advice from Grieg Investor, adopted a long term investment strategy for financial assets. In addition, Grieg Investor advises on the choice of management and funds, as well as providing monthly portfolio reports. Current asset composition, as of 31 December 2019, corresponds to strategic priorities.

Implementation of the financial strategy has been continuously monitored by CIO Knut Nordenhaug and the investment committee consisting of chair of the Kavli Trust board, Aksel Mjøs and trustee Dag Opedal, with regular reporting and support in board meetings.

Kavli Trust's own operating expenses (excluding allocations) were NOK 17.97 million in 2019. In 2018 operating expenses were NOK 10.24 million.

As of 31.12.2019, the market value of Kavli Trust's financial portfolio, after loans to Kavli Holding AS were deducted, was NOK 479.7 million. The return in 2019 was NOK 38 million.



The portfolio composition is based on the financial strategy adopted by the Board of Trustees. This is in accordance with an assessment of Kavli Trust's risk capability and willingness, including expected liquidity needs. The portfolio is invested in an array of funds and is monitored monthly through reporting from Grieg Investor.

In addition to the financial portfolio, as of 31 December 2019, Kavli Trust has a liquidity position of NOK 44.5 million in the investment fund Storebrand Likviditet (On 31 December 2018: NOK 56.9 million). This amount is kept outside the financial portfolio to be available for dividends and operating expenses throughout the year.

A committed NOK 6 million has been paid into The Voxtra East Africa Agribusiness Growth Fund, an "Impact Investing" fund, as well as equity certificates of NOK 1 million in Cultura Bank. This is in addition to the financial portfolio. The NOK 6 million invested in the aforementioned agricultural fund is managed by responsAbility based in Zürich, Switzerland.

The Board considers the financial return on assets in 2019 to be unsatisfactory.

Kavli Trust has no obligations beyond those set aside in the financial statements or discussed in this annual report.

Net income before allocations for the Kavli Trust were NOK 125.0 million for 2019, (compared to NOK 77.4 million in 2018).

The Board believes that the income statement and the balance sheet with accompanying notes provide satisfactory information on the year's activities and the trust fund's position at year-end.

The Kavli Trust investment portfolio is widely invested in equity funds, interest fund and real estate funds and has, similarly to various financial markets, had a negative return so far in 2020. It is not currently possible to indicate what return to expect overall for 2020, - a year that will be characterised by the ongoing COVID-19 pandemic.

Developments in the financial markets and the value of Kavli Trust's financial investments are not considered to date to be a threat to Kavli Trust's ability to run its charitable work.

Intensive learning camp with Guttas Campus (Boys Campus), Oslo 2019.

5.

CHARITABLE WORK

_5.1 _Overview



The Kavli Trust statutes say:

"O. Kavli and Knut Kavli's Charitable Trust (Kavil Trust) is a trust with the object of promoting humanitarian causes, research and culture through the award of grants as determined by the board of trustees of the Kavli Trust."

Kavli Trust is the owner who makes a difference by not only giving a part of the profit, but all of it for good causes. We are here for others!

Since its creation in 1962, Kavli Trust has supported many humanitarian, cultural and scientific research projects, all chosen for their high potential for benefit. Our goal is to create positive ripple effects in people's lives, not only for individuals, but in local communities and in society at large.

Kavli Trust aims to be a responsible, trustworthy, competent and always relevant collaborator, functioning within our priority areas. We reach our goals by working in a responsible, long term, skilled and devoted way.

How Kavli Trust is working:

With the exception of the Kavli Trust Programme on Health Research,

Kavli Trust does not call for funds. All projects granted funding are identified through outreach activities from administration in the third sector, social entrepreneurship communities, relevant industries, existing project networks and professional communities. The administration is looking for accomplished, responsible and innovative collaborative partners with a proven implementation capacity, ensuring that the funding is translated into the greatest possible value.

Kavli Trust often takes a central role during the first phase of larger projects, which have as their long term goal to become self financing. We strive to be a responsible and safe collaborative partner offering flexibility and predictability.

Collaboration is important

A good working relationship is fundamental to Kavli Trust's collaboration with the projects it supports. If it is necessary to do so, we will work alongside other donors (organisations, public bodies, businesses) in order to realise the potential of good projects.

We also want to facilitate the sharing

of knowledge and the exchange of experiences between the projects we fund. Several of the projects that have coinciding goals and purposes, but work with different target groups using various approaches, are set to benefit from this system of cooperation.

In the autumn of 2019, five of our collaborative partners working within the field of education met at a two day workshop in South Africa, organised by Kavli Trust. The aim of this pilot project was to see whether our collaborative partners would find it interesting and relevant to form a network, with the support of Kavli Trust.

The workshop proved very successful, and the feedback has been solely positive, all of the projects finding the network valuable. All have expressed a desire to keep in touch and continue the mutual learning, support and inspiration. Some of them are already collaborating on concrete projects.

For Kavli Trust this experience confirms the possibility of us playing such a role. It can be repeated within other priority areas, in Norway as well as in the other "Kavli" countries.



Pupil at the support education programme run by Changing Stories, Nepal 2020.



Three main categories

Three overall categories form the basis for selecting which projects to grant funding:

- Humanitarian work
- Scientific research
- Culture

The three categories are specifically stipulated and stated as criteria for allocation in the Kavli Trust statutes. Humanitarian work is defined as work that contributes to solving a social problem.

According to the current funding strategy, 60 percent of all allocations must go to humanitarian projects, 30 percent to scientific research and 10 percent to culture.

Geographically, 70 percent of the funds are allocated to projects in countries where Kavli operates: Norway, Sweden, Finland and Great Britain. The remaining 30 percent is allocated to projects on health, education and entrepreneurship in a selection of countries in sub-Saharan Africa and Asia.

In our funding strategy we focus on five of the UN Sustainable Development Goals, as a foundation for our priority areas:

Goal 3: Good health and wellbeing

Goal 4: Quality education

Goal 8: Decent work and economic growth

Goal 10: Reduced inequalities

Goal 13: Climate action



Presenting the employee donations, Kavli UK 2019.



Employee donations ceremony, Kavli Sweden 2019.

The employee donation

The Kavli Group has over 800 employees, who all contribute to creating the funds that Kavli Trust allocates to good causes. Their efforts are absolutely crucial in order to make the most profit possible to distribute. Our employees are also important ambassadors for our businesses, for Kavli Trust and for the projects we fund.

It is important to us that each worker experiences ownership, enthusiasm and pride in the work of Kavli Trust. To this end, each business in the Kavli Group and the Kavli Trust has

the important obligation to champion the role of the employees, to share information and involve them in the charitable work.

Each employee is aware of the particular ownership structure of the Kavli Group. Their feedback shows that it is motivating and inspiring to know that the profit they help to make goes to good causes. Several employees say that this structure was the reason for accepting the offer of employment.

The employee donation is one of the yearly highlights of the Kavli Group. It is when all employees in the Kavli

Group vote on how to allocate NOK 10 million to worthwhile causes. The Kavli businesses in each country hold nomination and selection processes and a shortlist is presented to Kavli Trust, who makes the final decision. The selected organisations are invited to receive a cheque and celebrate together with the employees. Engagement with the employee donation is great, and this direct involvement of the employees with the work of the Kavli Trust is regarded as a natural and important element to instil pride, ownership and solidarity.

Daniel (14) was a participant at the intensive learning camp with Guttas Campus (Boys Campus) in the summer of 2019. He also participated in a recently made Kavli Trust film about the project.



_5.2

_Kavli Trust allocations to humanitarian work

An important and recurring theme running through many of the projects supported by Kavli Trust, is to promote inclusion and prevent inequality and loneliness. Mental health for children and young people is also a high priority.

One fundamental principle is that the projects to receive funding are designed to empower individuals to succeed in the long term. In certain projects, Kavli Trust also supports emergency aid, but as a rule of thumb, is the emphasis put on projects with a potential for long term results.

One of the main goals of the Kavli Trust allocation strategy is to contribute to the prevention and suppression of exclusion among children and young people. Succeeding in that has a positive effect not only for the individuals concerned, but potentially for the people around them and the community they live in too. In 2019, several of the projects we supported were to do with combating exclusion.

Campus Boys is a courageous and

innovative programme for boys in year 9 (14-15 year olds in the Norwegian school system) who are finding school challenging. It consists of a 13 day long intensive teaching camp and an individual mentorship programme for 1.5 years. Kavli Trust supported the programme in Oslo in 2018 and 2019, and allocated further funding to scale it up to Bergen in 2020.

PitStop is another social entrepreneur with children and young people as their main target group. PitStop offers rehabilitation, customised training and activities to young people with mental health problems, who have dropped out of school or work.

At the Robin Hood House in Bergen, immigrants are given an arena for language practise, gaining knowledge about Norwegian working life and inclusion through volunteering in the running of the house. The Robin Hood House is an important meeting place for people in a difficult economic situation. The volunteers run a cafe and other activities.

Kavli Trust is continuing our far-reaching, year-long support of food banks in Norway. In 2019 we supported food banks in Bergen, Rogland, Vestfold-Telemark,

Trondheim, Tromsø as well as the umbrella organisation Matsentralen Norge (The Food Bank Norway). This includes the previous funding agreements as well as new allocations in 2019.

Over the past years, Kavli Trust has worked strategically to develop its portfolio in Sweden and the UK. In Sweden new funding was granted in 2019 to social care organisations and food banks: Maskrosbarn, Erikshjälpen and Uppsala Stadsmission/Matsentralen i Sverige. In the UK Kavli Trust supported Partnership for Children, Washington MIND, The Curious Monkey, New Writing North and The Salvation Army through existing funding agreements.

When allocating funding to new projects in other countries, Kavli Trust has narrowed its focus to a small selection of countries: South Africa, Ethiopia, Kenya and Nepal. Education for children and young people, entrepreneurship and health continue to be our focus areas.

We are proud to continue supporting projects further afield than our own home turf, and to contribute to the global work on our three core areas.



With the support of Kavli Trust, Partnership for Children will introduce programmes promoting mental health and emotional wellbeing for young children in several primary schools in Scotland.



Kavli Trust has for several years supported the work of the scientific research group on ME/CFS at Haukeland University Hospital.

5.3 **Kavli Trust allocations to scientific research**

Kavli Trust supports research which can give hope to people with serious illnesses. We like to contribute at an early stage when there is a need for funding that may open up for long term financial support.

The Kavli Trust Programme for Health Research is run according to an agreement with the Norwegian organisation Stiftelsen Dam as the executive partner. The programme is recognised by professional entities for its considered design, which was specifically developed to avoid pointless research. In 2019, two research projects on children and adolescent mental health received NOK 19.49 million between them.

Kavli Trust also allocated NOK 4.7 million in 2019 to the research group on (ME/CFS) at Haukeland University Hospital. The funding is a continuation of support over many years to their research on biological medicine and the causes and mechanisms relating to ME/CFS.

In 2019, the scientists Gerd Kvale and Bjarne Hansen made great progress in promoting The Bergen 4-day Treatment for severe anxiety disorders internationally. There is now a demand for this effective treatment in several countries. Work to train treatment teams in this methodology the world over, is being funded by Kavli Trust. In a funding agreement from 2018, Kavli Trust allocated a total of NOK 35 million to this work over the coming years.

Kavli Trust also supported AKTIV Against Cancer and their collabo-

ration with cancer scientist Dr Lee Jones and his team at the Memorial Sloan Kettering Hospital in New York City. Support from Kavli Trust has contributed to several important studies on the effect of exercise for patients before, during and after cancer treatment. They have found that exercise has a long list of positive effects. Not only does it increase the quality of life, several studies indicate that exercise also has a positive effect on the result of the cancer treatment itself.

Two Norwegian scientists visited the Memorial Sloan Kettering Hospital and were included in Dr Lee Jones' research team. They have both shared their experiences with the team and brought back important knowledge to the cancer research in Norway. A third Norwegian scientist is scheduled to join the team in New York in 2020.



The cellist Leonardo Chiodo was one of four talents who got to play with the Bergen Philharmonic Orchestra and was awarded the Kavli Trust scholarship during De unges Konsert 2019 (The young people's concert).

_5.4

The Kavli Trust allocations to culture

Kavli Trust supports cultural activities as a means to promote unity, inclusion and integration. We want as many people as possible to have the opportunity to experience, create and partake in cultural activities.

In 2019, Kavli Trust has played a key role in several cultural activities aiming to promote inclusion for children and young people in Norway. Examples are Kulturhjerter (Culture hearts) Fargespill (Play of colours) KIGO Kultur i gamle Oslo (Culture in the old district of Oslo), Norsk Musikkorps Forbunds FeriePULSE (Summer camp organised by the Norwegian organisation of marching bands) and Festspillkollektivet (a socially engaged fringe programme

to the Bergen International Festival).

Skapia (an organisation stimulating children to compose their own music) expanded their composition competition for secondary school pupils, U-trykk, with the support of Kavli Trust. Previously, Skapia ran the programme Veslefrikk, which gave the opportunity for children to learn to compose music at school. Kavli Trust sees school as an important arena to give more children access to cultural activities. We also support Norske Kulturhus (Norwegian network of cultural institutions) and their programme Friskunst Nasjonal, a dissemination project for art and culture in primary and secondary schools.

In collaboration with professional cultural institutions we also ensure cultural experiences for children and young people from low income families, elderly people and people

with a disability or illness. People who normally could not afford it, were given cultural experiences at national theatres in Oslo and Bergen, through the Kavli Ticket Trust at Det Norske Teateret and the ticket gift scheme at Den nationale Scene.

Supporting young talents in classical music continues to be a small, but important and traditional part of Kavli Trust's allocations to culture. In 2019, several events were made possible through funding from Kavli Trust, such as Trondheim International Chamber Music Competition (TICC), De Unges Konsert ved Bergens filharmoniske orkester (The Young People's Concert at the Bergen Philharmonic Orchestra), Vinterfestspill i Bergstaden (Winter music festival) and the talent programme KonstKnekt.

tech håp & kjærlighet



_5.5 _Tech, hope & love

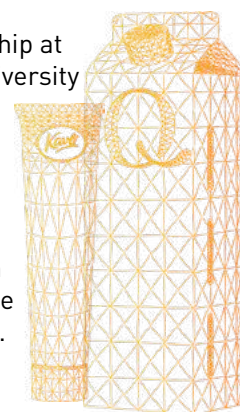
Tech, hope and love is a new, strategic commitment from Kavli Trust. Through a variety of activities we aim to promote the effective and innovative use of technology in our work for good causes. Kavli Trust wants to support charitable projects where this is already being done, with the aim to inspire others to follow suit. An important target group is students studying subjects relevant to developing technological solutions.

Three main pillars of Tech, hope & love are:

- **The podcast series “Tech, hope & love”**
- **Collaboration with student and learning environments over a wide range of activities**
- **Allocations to projects where effective and innovative use of technology is a key component to reaching the goal of a given project**

The podcast series was announced before Christmas with a planned schedule rolled out in January

2020. The first student activities are due to start in spring 2020. The student activities are carried out in collaboration with Kristiania University College, Start NTNU (a non profit student organisation inspiring innovation and entrepreneurship at Norwegian University of Science and Technology) and Start Bergen (a student organisation in Bergen with the same mission).



Kulturhjerte (Culture heart) creates performances by connecting children and young people with a refugee background with children from Lillehammer, Norway.

_5.6 _Projects that received funding in 2019

Each year, Kavli Trust receives a growing amount of unsolicited funding requests. In 2019, the Board replied to 537 such open applications via email and social media. The Board made 118 individual decisions to allocate funds. 43 of them were large allocations of NOK 0.4 million or more and 65 allocations were smaller. We allocated funds to projects in eight different countries.



FUNDING FOR CHARITABLE CAUSES IN MILLION NOK



Illustration: Allocations in Norwegian Kroner

TOTAL ALLOCATIONS 2019

Allocations in Norwegian Kroner

Organisation	Topic	Country	Allocation
Bergen 4-Day Treatment/ Helse Bergen (Health Bergen)	Scientific research	Norway	7 000 000
45 smaller projects 2019	Scientific research	Norway	9 500 000
Helse Bergen (HUS) ME/CFS (Health Bergen)	Scientific research	Norway	4 700 000
University of Oxford	Scientific research	UK	12 494 000
University of Sussex	Scientific research	UK	6 883 000
Employee nominations Kavli Finland	Humanitarian work	Finland	1 000 000
TechBridge invest	Humanitarian work	Kenya	2 000 000
Human Practice Foundation	Humanitarian work	Nepal	7 500 000
Strømme Foundation	Humanitarian work	Nepal	7 500 000
Employee nominations Kavli Norway	Humanitarian work	Norway	3 000 000
Salvation Army Norway	Humanitarian work	Norway	1 500 000
Goodify	Humanitarian work	Norway	2 000 000
Grønne Verdier AS (Green values ltd)	Humanitarian work	Norway	700 000
Guttas Campus, Bergen (Boys' Campus)	Humanitarian work	Norway	1 500 000
Guttas Campus, Oslo (Boys' Campus)	Humanitarian work	Norway	1 500 000
Matsentralen i Bergen (Food Bank)	Humanitarian work	Norway	1 000 000
Matsentralen Vestfold og Telemark (Food Bank)	Humanitarian work	Norway	600 000
PitStop	Humanitarian work	Norway	1 500 000
Robin Hood House	Humanitarian work	Norway	1 750 000
Rådgivning om spiseforstyrrelser (ROS) (Eating disorder helpline)	Humanitarian work	Norway	3 000 000
20 seed projects	Humanitarian work	Norway	3 800 000
Ung Inkludering (Young inclusion)	Humanitarian work	Norway	1 470 000
Villa SULT (Villa Hunger)	Humanitarian work	Norway	3 500 000
Voksne for Barn (Adults for Children)	Humanitarian work	Norway	1 500 000
Employee nominations Kavli Sweden	Humanitarian work	Sweden	3 000 000
Erikshjälpen (children rights NGO)	Humanitarian work	Sweden	2 500 000
Maskrosbarn (Children's NGO)	Humanitarian work	Sweden	2 000 000
MIND Sverige	Humanitarian work	Sweden	3 000 000
Ung Cancer (Young Cancer)	Humanitarian work	Sweden	1 500 000
Uppsala Stadsmission (city mission)	Humanitarian work	Sweden	1 500 000
Streetlight Schools	Humanitarian work	South Africa	2 500 000
Tore's Africa Foundation	Humanitarian work	South Africa	440 000
Employee nominations UK	Humanitarian work	UK	3 000 000
Partnership for Children	Humanitarian work	UK	2 500 000
Bergen Philharmonic Orchestra	Culture	Norway	1 000 000
Bergen Vitensenter (Centre of knowledge)	Culture	Norway	1 500 000
Festspillene i Bergen (Bergen international festival)	Culture	Norway	1 000 000
Klokkeklovnene (Clock clowns)	Culture	Norway	1 000 000
Konstnekt, Vinterfestspill i Bergstaden (music festival)	Culture	Norway	800 000
Norges Musikkorps Forbund NMF (Norwegian organisation of marching bands)	Culture	Norway	1 000 000
Oseana Kunst og Kultursenter (Art and culture museum)	Culture	Norway	1 950 000
Vinterfestspill i Bergstaden (music festival)	Culture	Norway	700 000
Total allocations			117 787 000

All of the larger allocations are reported on www.kavlifondet.no/eng

6.

ETHICS, HUMAN RIGHTS, CLIMATE/ ENVIRONMENT/SUSTAINABILITY

Ethics

As a charitable trust, ethical operations lie at the very foundation of Kavli Trust. This is ensured through a set of rules and regulations, which are evaluated on a regular basis.

These include, among other things, zero tolerance for corruption, principles of conflict of interest and partiality, external duties and working conditions, confidentiality and discretion, information and IT systems, business practices and environment, and health and safety.

The Kavli Trust also has its own ethical guidelines for communication. These include basic values and principles in our communication, general language style and how we talk and write about people and societies who benefit from the projects we fund. We are particularly concerned with representing people and collaborating partners in a balanced and dignified manner, ensuring that we do not contribute to stereotypes or prejudices.

Kavli Trusts seeks out responsible collaborating partners who share our values and whom we can identify with.

Through our allocations we contribute to the concrete promotion of universal human rights such as access to education and health services.

Equality

The work environment is considered to be good. As of 31 December 2019, Kavli Trust has 3.1 full time equivalents and four female employees, and the Board consists of two men and two women. The Board emphasises

that both genders are equally represented.

Climate, environment and sustainability

The climate is affected by the operations of Kavli Trust through its office facilities and travel. With four employees working in Oslo and Bergen respectively, everyone must be aware of organising their work in such a way to reduce their carbon footprint. The most effective step is to limit travel generally and strive to use environmentally friendly, low emission transport.

Kavli Trust has decided to adopt the UN Sustainable Goal on climate action as an important part of the allocation strategy. One of our largest projects within this goal so far is the establishment of Norwegian food banks. A food bank redistributes surplus food to charities. The seven food banks redistributed a total of 2600 tonnes of food in 2019, the equivalent of 5.2 million meals that were saved from going to waste.

Kavli Trust has been supporting the first Norwegian food bank since its establishment in Oslo in 2013. So far, we have supported the start-up of seven food banks in Norway, as well as the umbrella organisation Matsentralen Norge. By the end of 2019, we have active funding agreements with Trondheim, Rogaland, Tromsø, Vestfold/Telemark and Bergen. We are also about to support Matsentralen Sør, the food bank in southern Norway.

In 2019, Kavli Trust entered into a collaboration with Mette Nygård

Havre and her movement against food waste, Spis opp maten (Eat up your food). Together we toured all the food banks to get a better insight into how work is carried out in the different food banks. Our aim was to spread knowledge and inspiration through a series of "food saving seminars.". Many collaborative organisations took part, big and small, local and national - all helping to distribute food from the food banks to people who need it. The seminars included talks about food waste, a presentation of Kavli Trust and our work with food banks over many years.

Since 2014, Norsk klimastiftelse (Norwegian Climate Foundation) has held the breakfast seminar Klimafrokost, with support from Kavli Trust. Klimafrokost has gone from strength to strength. Today, it is consolidating itself as a central arena for knowledge sharing and expert based conversations around the climate challenge. The events are attracting more and more participants in Norwegian cities, from public, political and professional communities, organisations, businesses and other stakeholders.

Kavli Trust also wants to support climate and environmental projects targeted at children and young people, and has continued the collaboration with Mette Nygård Havre and Spis opp maten (Eat up your food). With the new funding, Spis opp maten is going to teach pupils in primary and secondary school about preventing food waste to inspire and build good attitudes and spread knowledge.



General manager Cristiano Aubert and Ida M. Cowell from the Food Bank Oslo, Paula Copodistrias from Food Bank Norway and Mette Nygård Havre from Spis opp maten (Eat up your food).

Another exciting project is the Rafto Foundation project Fremtidspiloten (The future pilot) where sixth form students are tasked with developing ideas for local environmental solutions.

In the project Gjør noe med det (Do something about it), Kavli

Trust is collaborating with Ungt Entreprenørskap Norge (Young entrepreneurship Norway) to teach social entrepreneurship in conjunction with the UN Sustainable Development Goals to pupils in primary and secondary school. Many pupils choose climate action as their topic to work with.

Kavli Trust will continue to support projects with climate and environmental purposes.

7.

KAVLI GROUP ACCOUNTS

Kavli Trust has prepared the consolidated accounts together with an overview of the Trust's business activities, in accordance with the requirements of the Norwegian Accounting Act (Regnskapsloven).

The annual profit for the Kavli Group is NOK 155.4 million before distributions to charitable activities, compared to NOK 219.5 million in 2018. The consolidated financial statements for Kavli Holding AS show the economic development of the business sector separately. The consolidated financial statements for Kavli Holding AS were presented to the Board of Trustees of Kavli Trust on 28 April 2020, with a profit after tax of NOK 178.0 million for 2019, compared with NOK 186.3 million in 2018.

For further information, refer to the annual report for Kavli Holding AS.

8.

VIEW AHEAD AND CONTINUED OPERATION

In a short space of time, Norway and the rest of the world has ended up in a crisis situation caused by the coronavirus pandemic of 2020. The need to take responsibility through good deeds and charitable contributions is greater than ever.

Kavli Trust has several collaborative partners who are continuing to help people during this very unusual time of crisis. Many of

them are currently serving those most affected by the crisis, such as people experiencing loneliness, exclusion, poverty and other difficult situations.

We are pleased to be able to help by supporting organisations such as Kirkens SOS (helpline) Goodify (volunteering app), Food banks in Norway and Sweden, MIND (mental health) and Salvation Army in Norway and the UK.

Kavli Trust is closely monitoring the developing situation. In the long term, we will be able to consider new allocations in response to needs triggered or increased by

the coronavirus pandemic. It is not possible at present to say anything about which areas and types of measures would be eligible for support.

The total amount to be allocated to good causes will vary in the years to come. The Board of Trustees, together with the general manager, will continue the development and visibility of Kavli Trust's operations. The Board is positive with regards to the future development of Kavli Trust.

The Board considers the conditions for continued operation to be fully present.



Changing Stories Nepal gives children fundamental education in reading, writing and maths. Tulsipur, Nepal 2020.

**Bergen, 28. april 2020*

Aksel Mjøs
Chair

Solfrid Lind
Trustee

Dag J. Opedal
Trustee

Lise Hammergren
Trustee

Inger Elise Iversen
General manager

*Signed electronically in board meeting 28.april 2020

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