Preventing Support for and Transactions with Prohibited Parties Policy

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Responsible Team	Legal				
Supersedes					
Policy Type	Tier 1				

POLICY

1. Purpose

Prosper Global is a humanitarian aid and development organization that operates in accordance with humanitarian principles. These principles mandate that Prosper Global not provide support in any form, directly or indirectly, to combatants. This includes not violating laws that prohibit providing material support to terrorist organizations, human rights violators or engaging in money laundering. Prosper Global also works in embargoed and sanctioned countries and in close proximity to entities that are subject to targeted sanctions requirements, including sanctions requirements of the United States, United Kingdom, European Union, Netherlands, the United Nations and other international and donor country laws and regulations. Prosper Global will comply with sanctions obligations. Finally, Prosper Global's donors often impose more specific requirements meant to ensure compliance with laws that may exclude entities and individuals from eligibility for support. Prosper Global complies with the donor obligations incorporated in its agreements with donors.

Consistent with its humanitarian principles and mandate, Prosper Global will also do all that it can to provide aid to civilians who are still or were formally under the control of sanctioned entities and combatants, including designated terrorist organizations, in a manner that complies with its commitments in this policy. Prosper Global will also work to ensure that it does not agree to donor requirements that require Prosper Global to violate its humanitarian principles. Where necessary and consistent with humanitarian principles and Prosper Global's commitments in this policy, Prosper Global will advocate with donors (and/or donor governments) for exceptions to laws, regulations or rules that prevent or bar Prosper Global' access to affected populations.

This policy sets out Prosper Global's commitments and mandatory requirements meant to ensure adherence to humanitarian principles while preventing sanctions violations, diversion of resources to or support for combatants or terrorist organizations, money laundering, or transactions with entities that are suspended, debarred or otherwise prohibited by Prosper Global's donors.

2. Scope and Application

2.1. This Policy applies to Prosper Global (U.S.), Prosper Global (UK), and Prosper Global (NL), including their branches, subsidiaries, and controlled affiliates (together, "**Prosper Global**"); all Board Directors, officers, employees, seconded employees, interns, daily workers, and volunteers (collectively, "**Team Members**"); all subrecipients, partner organizations, contractors, consultants, agents, representatives, and other individuals acting on Prosper Global's behalf or at its direction (collectively, "**Partners**"); and all visitors to Prosper Global facilities or programs, including photographers, filmmakers, journalists, researchers, current and prospective donors, and other hosted guests ("**Visitors**").

3. Policy Statements [May be renamed]

3.1. **Compliance with Humanitarian Principles**. Prosper Global operates in accordance with the humanitarian principles of humanity, neutrality, impartiality and independence. See IFRC Code of Conduct. Prosper Global relies on its adherence to humanitarian principles and community acceptance, including acceptance from state and non-state actors, as the basis for its safe and secure access to civilian populations in need.

3.2. **Compliance with Laws, Regulations, and Donor Requirements**.

3.2.1. **Anti-Terrorism Laws and Regulations**. Prosper Global will comply with the laws of its headquarters office countries, including the United States, the United Kingdom, the Netherlands, as well as those of the European Union and the UN, including laws and rules that forbid providing material support to entities that engage in or support terrorism or combatants. These entities are collectively referred to as "**Terrorist Entities**".

3.2.2. **Sanctions Laws and Regulations**. Prosper Global will comply with the laws of its headquarters office countries that embargo certain countries, sanction governments, and/or establish targeted sanctions against entities and individuals, including against individuals, entities and countries. These entities are collectively referred to as "**Sanctioned Entities**".

3.2.3. **Donor Regulatory and Contractual Requirements**. Prosper Global will comply with laws and rules meant to prevent Prosper Global from transacting with persons or entities that engage in human rights violations, criminal activity, fraud, theft, waste, abuse, trafficking or other reasons as stated in donor regulatory and contractual requirements. This includes complying with donor exclusions for entities that are debarred or suspended by donors. These entities are collectively referred to as "**Excluded Entities**."

3.2.4. **Anti-Money Laundering Laws and Regulations**. Prosper Global also complies with laws meant to prevent money laundering.

3.2.5. **Relation to Host Country Laws**. Prosper Global will also comply with the laws regarding material support for terrorism, sanctions and anti-money laundering of all other countries where Prosper Global operates to the extent such laws are consistent with and do not violate International Humanitarian Law or the laws of Prosper Global's headquarters countries. Terrorist Entities, Sanctioned Entities and Excluded Entities are collectively referred to as "**Prohibited Parties**."

3.2.6. **When Laws or Donor Requirements are Inconsistent with Humanitarian Principles**. Prosper Global recognizes that some laws and donor requirements may be inconsistent with Prosper Global's humanitarian principles and may pose undue risks to Prosper Global's community acceptance, legitimacy as a humanitarian actor and the safety and security of its operations. In such instances, Prosper Global will be transparent with its donor(s) and the relevant government(s) about the conflict and will seek to negotiate a resolution that balances the legitimate interests regarding acceptance, safety and security and the humanitarian imperative.

3.3. **Engaging with Prohibited Parties to Secure Access**. Prosper Global will engage with, including engaging in direct or indirect dialogue with, Prohibited Parties as necessary to secure safe passage and access to civilians and to ensure that Prosper Global can continue delivering aid without sanctions violations, interference from, diversion to, or material support to Prohibited Parties. Prosper Global's engagement will always comply with the prohibitions in this policy.

3.4. **Prohibited Individual and Organizational Conduct**. Prosper Global Team Members, Visitors and Partners, whether in their personal or work-related capacity are prohibited from engaging in the following activities.

3.4.1. **Public Expressions of Support** - publicly expressing, whether in public forums or on social media or any other forum, their personal or professional support for any Prohibited Party; or

3.4.2. **Providing Material Support** - Prosper Global prohibits knowingly or intentionally, directly or indirectly, providing support for or transacting with any Prohibited Party in violation of this policy. Examples of prohibited support include implicitly or explicitly agreeing to or otherwise allowing Prosper Global or its Partners to:

a. provide aid or development assistance of any kind to Prohibited Parties;

b. provide any aid or development assistance through Prohibited Parties. This includes, but is not limited to, allowing Prohibited Parties to claim credit for the aid that Prosper Global is providing, storing aid in Prohibited Party facilities, or allowing Prohibited Parties to transport, or distribute aid. It also includes allowing Prohibited Parties to take control of warehouses or humanitarian goods;

c. allow Prohibited Parties as Team Members or allow Prohibited Parties to direct or influence Prosper Global Team Member hiring;

d. allow Prohibited Parties as Partners (or sub-Partners at any level) or allow Prohibited Parties to dictate decisions regarding which Partners to engage with;

e. accept or request that Prohibited Parties provide armed escorts or guards;

f. allow Prohibited Parties to direct Prosper Global aid or development assistance, this includes, but is not limited to, interference in project design, needs assessments, program participants eligibility criteria, program participants or project selection, distribution, or measurement, monitoring and evaluation;

g. target specific communities or program participants based in whole or in part on the community or program participants to or support for any Prohibited Party;

h. share individually identifiable information about program participants with Prohibited Parties; or

i. gather or share any intelligence information with any Prohibited Party.

4. Reporting Prohibited Conduct

4.1. **Mandatory Internal Reporting**. Prosper Global requires all Team Members and Partners to immediately report conduct prohibited in this policy that involves Prosper Global Team Members, Partners, Visitors or programs. Reports should be submitted in accordance with Prosper Global Ethics Complaint and Whistleblower Policy. Prosper Global will review all such reports and will investigate in accordance with the Ethics Complaint and Whistleblower Policy. Team Members who are aware of violations of this policy and who do not ensure that they are reported may be subject to discipline up to and including termination.

4.2. **Reporting to Donors and Law Enforcement**. Prosper Global will report violations of this policy to donors and law enforcement as and when they require or, when not required, when appropriate. Prosper Global will cooperate fully with any investigation initiated by donors or law enforcement and will seek to ensure that those who engage in criminal activity in violation of this policy are held accountable.

4.3. **No Retaliation for Reporting**. Prosper Global will not tolerate any form of retaliation against Team Members, Visitors, Partners, program participants or others who report suspected prohibited conduct in good faith or participate in investigations. The full protections for persons making reports can be found in Prosper Global's Ethics Complaint and Whistleblower Policy. Anyone who feels that they have experienced retaliation for reporting or participating in investigations should immediately report to the Ethics Team at prosperglobal.org/integrityhotline.

5. Investigating Reports

Prosper Global will investigate allegations of violations of this policy to the extent feasible. Investigations will be conducted in accordance with Prosper Global Ethics Complaint and Whistleblower Policy and related guidance. Prosper Global will take into account the safety, security and well-being of Team Members during any investigation or follow-up action.

6. Disciplinary Consequences

Prosper Global may suspend (or otherwise ensure that any risk of further harm is ameliorated) any Team Member, Partner or Visitor who is the subject of credible allegations of prohibited conduct. Team members found to have engaged in prohibited conduct may be subject to discipline up to and including termination and ineligibility for rehire.

7. Required Processes and Procedures

Prosper Global ensures compliance with this policy through appropriate processes and procedures designed to ensure to the extent possible that:

7.1. All Team Members are informed and trained on what conduct this policy requires (via code of conduct training) and their responsibilities under this Policy, and all Team Members certify that they have understood this policy and agree to abide by it;

7.2. Prosper Global offices display awareness posters on this policy, including all available reporting mechanisms, translated into the primary language of the office and in conspicuous locations where all staff will see them;

7.3. With adaptations for the local context that ensure continued community acceptance and safety and security, program participants and host communities are informed about Prosper Global's commitments under this Policy and how to report any suspected violations by Prosper Global Team Members, Partners or Visitors;

7.4. For each country, the risk associated with Prohibited Parties is periodically assessed;

7.5. Enhanced risk mitigation measures are incorporated into the design and operation of programs operating in high risk areas;

7.6. For high-risk countries, enhanced country and program risk mitigation efforts are documented and viewed through a holistic lens, across functions and controls and enhanced as necessary for high risk environments;

7.7. As part of risk mitigation efforts, Prosper Global conducts risk-based due diligence on Partners to understand any relationship a Partner might have with Prohibited Parties. This includes but is not limited to due diligence on all financial institutions and money transfer agents or networks, whether formal or informal. Standard global due diligence measures related to vendors is incorporated in Prosper Global global minimum standards regarding procurement. Standard global due diligence measures related to grantees and subgrantees is incorporated in Prosper Global subgrant minimum standards and compliance requirements. Due diligence on Partners includes risk-based screening against publicly available Prohibited Parties lists.

7.8. Contractual agreements with Partners include obligations to adhere prevent and report support for and transactions with Prohibited Parties and any additional donor required provisions related to Prohibited Parties, and Partners have the capacity to ensure their compliance with this policy;

7.9. Contractual agreements with Partners require Partners to act in accordance with this policy and to report to Prosper Global any violations that: (1) involve or are related to resources provided by Prosper Global; or (2) Prosper Global's Team Members or programs;

7.10. Prosper Global conducts due diligence on all new Team Members to understand any relationship a Team Member might have with Prohibited Parties. Global minimum standards for due diligence on Team Members is incorporated into Prosper Global recruiting and hiring processes and related documentation. Due diligence on new Team Members includes risk-based screening against publicly available Prohibited Parties lists;

7.11. Prosper Global conducts due diligence on its major donors. Donor due diligence is incorporated in Prosper Global Gift Acceptance Policy and related guidance. Donor due diligence includes risk-based screening against publicly available Prohibited Parties lists;

7.12. Program participants are selected based on specific criteria defined by each program. This is typically based on need and vulnerability. As a default, Prosper Global does not screen individual program participants against publicly available Prohibited Parties lists.

7.13. Prosper Global conducts objective program measurement, monitoring and evaluation processes, in part, to identify violations of this policy;

7.14. All Team Members, Partners, Visitors, program participants and communities can anonymously (if they choose) report violations and all such reports are quickly provided to Prosper Global's global Integrity Hotline (see Prosper Global's Ethics Complaint and Whistleblower Policy);

7.15. Prosper Global will establish Community Accountability Reporting Mechanisms (CARM) where Prosper Global and its partners work. Prosper Global Team Members and Partners who receive allegations through CARM must report them in accordance with the Ethics Complaint and Whistleblower Policy.

7.16. All credible allegations are confidentially, independently and thoroughly investigated in a manner that ensures, to the extent possible, the safety and security of Team Members (see Prosper Global's Ethics Complaint and Whistleblower Policy and related guidance);

7.17. All reported allegations are disclosed to donors, law enforcement, and regulators as and when mandated by law or contractual obligation (see Prosper Global Ethics Complaint and Whistleblower Policy and related guidance);

7.18. Prosper Global Joint Board Audit and Risk Committee is informed of material and credible reports and investigations of violations at or around its regularly scheduled meetings and provided with whatever additional information necessary to allow it to conduct its oversight duties (see the Ethics Complaint and Whistleblower Policy and related guidance).

8. Exceptions to Required Procedures and Compensating Controls

Given the places where Prosper Global works, some specific global procedures may not be implementable without creating the real possibility that Prosper Global and its Team Members would be targeted by Prohibited Parties. When such circumstances exist, Country Teams must seek an exception to the procedure by working with the headquarters functions with responsibility for the procedure to develop compensating controls that provide assurance that Prosper Global and Team Members will not violate the prohibitions in this policy while continuing to ensure the safety and security of team members. Any exception must be approved by the relevant headquarters team leader and the General Counsel.

9. Required Processes and Procedures

Prosper Global's General Counsel is responsible for:

1. ensuring this policy and related guidance and training materials remain up-to-date;
2. providing legal guidance regarding laws and regulations related to this policy and advising relevant teams regarding country specific sanctions;
3. obtaining legal authorizations from governments for exceptions to this policy as necessary;

4. ensuring global reporting and investigations are overseen in accordance with this Policy and the Ethics Complaint and Whistleblower Policy and related guidance; and
5. reporting to Prosper Global Joint Board Audit and Risk Committee regarding allegations.

Prosper Global's Senior Director for Global Safety and Security and regional and country security management leaders, focal points and teams are responsible for:

1. ensuring up-to-date risk assessments that include details on combatants and proscribed groups; and
2. ensuring that team members who engage with Prohibited Parties on Prosper Global behalf are trained in this policy and humanitarian principles.

Prosper Global's Senior Director of Compliance and the donor compliance leaders and teams are responsible for maintaining Prosper Global publicly available Prohibited Parties list screening system and related procedures and guidance, ensuring risk-based due diligence procedures are incorporated into Prosper Global global processes and procedures, and ensuring compliance with donor requirements. In coordination with other relevant teams, they are also responsible for assisting Country Teams with risk assessments and holistic risk mitigation plans.

Prosper Global's Global Treasurer is responsible for developing procedures for money transfer and storage that ensure compliance with this policy and for final approval of banks and money transfer agents.

Prosper Global Global Procurement Team is responsible for ensuring that risk-based due diligence requirements related to vendors and suppliers are built into Prosper Global global procurement processes and procedures.

The Director of Global Human Resources and Country Human Resources Leaders are responsible for:

1. Ensuring due diligence and screening for new Team Members;
2. Ensuring that all Team Members undergo the code of ethics training and acknowledge their understanding of it and willingness to abide by it; and
3. Ensuring that team members declared ineligible for rehire due to violating this policy are not rehired by Prosper Global and that this status is included in responses to employment verification checks by other organizations.

Prosper Global's Gift Acceptance Committee and Senior Director, Resource Development Operations and Analytics are responsible for ensuring proper due diligence on new donors and for finally approving new donors.

Prosper Global's Country Directors and country SMTs are responsible for ensuring their Country has systems and procedures required in order to ensure full and effective implementation of this policy are place and team members are aware of this policies requirements.

All Prosper Global executives and leaders are responsible for ensuring that their decisions adhere to this policy.

10. Required Processes and Procedures

"**Due Diligence**" means the diligence (or level of inquiry) that a reasonable INGO or company would exercise under the same circumstances. Due diligence is a standard that by definition should change depending on the risks and the circumstances surrounding the transaction and the industry standards applicable to the circumstances.

"**Duress**" means a threat of imminent and unavoidable bodily harm, death or unlawful detention of Team Members, Visitors, Partners and/or program participants.

"**Money laundering**" means the subversion of legitimate financial mechanisms and banking relationships by using them as protective covering to conceal the movement of criminal proceeds and the financing of crime and terrorism.

"**Prohibited Parties**" means Combatants, Terrorist Entities, Sanctioned Entities and Excluded Entities and any business, non-profit, government, or other entity of any nature that is more than 50% beneficially owned or controlled (formally or informally) by a Prohibited Party. When a business, non-profit or governmental entity supports in any way, employs or is less than 50% beneficially owned or controlled by a Prohibited Party or a known family member, employee, member, associate, agent or representative of a Prohibited Party, Prosper Global applies a rebuttable presumption that the entity is also a Prohibited Party and subject to this policy's prohibitions. The presumption will only be rebutted and the entity considered to not be a Prohibited Party if Prosper Global can assure that providing support to or transacting with the entity will not violate any law, regulation or donor requirement or pose undue risk to Prosper Global's reputation. Where the specific law, regulatory or donor requirement applies a specific standard for allowable levels of interaction, ownership or control by a Prohibited Party, that standard will apply over the requirements in this policy.

"**Risk Based Approach (RBA)**" means that measures to prevent or mitigate risks of non-compliance are developed and prioritized based on an assessment of the risks and in a manner that addresses the risks under the circumstances. The RBA allows for measures to differ from country to country, program activity to program activity and transaction type to transaction type based on the risks of each. Under this approach, where risks are low, measures to mitigate the risks should be simple and cost effective. Where risks are high, mitigation measures should be enhanced to fit the circumstances. Prosper Global uses an RBA in developing its global policies and procedures, which set a global minimum level of mitigation. The RBA does not reduce the requirement to follow global policies and procedures but it does mean that in high risks contexts, those policies and procedures may need to be enhanced to address the specific risks.

"**Support**" means material support and resources in the form of currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safehouses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials. It also includes the examples set out in this policy that are specific to aid and development activities, including providing aid to, through or for the benefit of a Prohibited Party.

"**Transact**" means enter into agreements, contracts, or partnerships; make payments; create an employer-employee relationship; or otherwise create an obligation that conveys Support.

"**Terrorist activity**" or "**terrorism**" means (i) an act prohibited pursuant to the United Nations Conventions and Protocols related to terrorism (see UN terrorism conventions Internet site: http://untreaty.un.org/English/Terrorism.asp); or (ii) an act of premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents; or (iii) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

11. Approved Policy

This policy was approved by the Board of Directors of Prosper Global, Prosper Global (UK), and Prosper Global (NL) on October 24, 2019. This policy may only be amended or changed with the approval of the Board(s).