



Novi Anti-Money Laundering Policy

Stewardship and Integrity

Novi stewards resources entrusted to us for the benefit of children and communities affected by war. We are committed to transparency, accountability, and ethical financial practices in every environment, including high-risk and conflict settings.

We do not allow our operations or resources to be used for illicit purposes.

Policy Statement

Novi is committed to preventing money laundering, terrorist financing, and the misuse of its funds, operations, or partnerships for illegal activity.

We maintain a zero-tolerance approach to financial crime and will not knowingly engage in or support any activity that facilitates money laundering or the financing of illegal or armed actors.

This policy applies to all employees, contractors, volunteers, and third parties acting on behalf of Novi.

Definition of Money Laundering

Money laundering is the process by which funds obtained through illegal means are concealed or disguised to appear legitimate.

Terrorist financing is the provision or collection of funds, directly or indirectly, with the intention that they be used to support terrorist or armed activities.

Third parties include any external individuals or entities with whom Novi engages, including partners, vendors, consultants, and service providers.

Risk-Based Approach

Novi applies a risk-based approach to prevent financial crime, recognizing that risk levels vary depending on geography, partners, and transaction types.

Higher-risk environments, including conflict zones and areas with limited governance, require increased awareness and enhanced due diligence where feasible.

Due Diligence

Appropriate due diligence must be conducted before entering into relationships with third parties.

This may include:

- Verifying identity and legitimacy
- Assessing reputation and background
- Reviewing publicly available information and sanctions lists where appropriate
- Evaluating the purpose and nature of the relationship

Due diligence efforts must be proportionate to the level of risk and the realities of the operating environment.

Financial Controls and Monitoring

Novi maintains financial controls designed to prevent and detect misuse of funds.

These include:

- Using authorized channels for receiving and disbursing funds whenever feasible
- Maintaining clear and accurate documentation of all transactions
- Segregation of duties where possible
- Regular oversight and review of financial activity

Unusual or inconsistent transactions must be reviewed and escalated.

Prohibited Activities

The following are prohibited:

- Accepting or processing funds known or suspected to be derived from illegal activity
- Engaging with individuals or entities identified on applicable sanctions lists where verification is possible
- Structuring transactions to avoid oversight or accountability
- Concealing or misrepresenting the origin or destination of funds

Recordkeeping

Novi maintains accurate and complete records of all financial transactions and due diligence activities.

Records must:

- Be retained in accordance with applicable requirements
- Be available for review and audit
- Accurately reflect the nature and purpose of transactions

Operating in High-Risk and Conflict Environments

Novi operates in regions where financial systems may be limited, informal, or controlled by non-state actors.

Our commitment to integrity does not change in these environments. We do not knowingly allow funds to be diverted to illegal or armed groups.

At the same time, access to communities and the delivery of essential aid may require operating in constrained or non-traditional financial systems.

In such cases:

- Every effort must be made to understand the flow of funds and the parties involved
- Transactions must be tied clearly to program purpose and documented as fully as possible
- Alternative verification methods may be used where standard systems are unavailable
- Decisions must be guided by risk awareness, transparency, and accountability

Any concerns about potential diversion or misuse must be reported and reviewed.

Responsibilities

All personnel are responsible for:

- Understanding and complying with this policy
- Remaining alert to potential financial crime risks
- Seeking guidance when concerns arise
- Reporting suspicious activity

Managers are responsible for reinforcing compliance and ensuring appropriate controls are followed.

Reporting Suspicious Activity

Any individual who becomes aware of or suspects money laundering or related activity must report it promptly to Novi leadership.

Novi will:

- Review all reports in good faith
- Take appropriate action as necessary
- Maintain confidentiality where possible
- Prohibit retaliation against individuals who report concerns in good faith

Violations

Violations of this policy may result in disciplinary action, including termination, and may be reported to relevant authorities where required.

Accountability

All staff, volunteers, and partners are expected to uphold this policy. Leadership is responsible for ensuring it is applied consistently and strengthened over time.

Failure to comply may result in disciplinary action, up to and including termination.