

ANTI-MONEY LAUDERING & COUNTER TERRORIST FINANCING POLICY



1. Introduction

Forests of the World (FoW) is an international NGO working to preserve the world's forests and to strengthen rights and civil society globally. As an organisation entrusted with public and private funds, we have a responsibility to ensure that our activities and partnerships do not contribute to money laundering or the financing of terrorism.

FoW maintains a policy of zero tolerance toward financial irregularities, including acts that could facilitate money laundering or terrorist financing. This policy outlines FoW's approach to Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) and defines the principles and measures we implement to prevent, detect, and respond to suspicious activity.

This policy complements FoW's Anti-Corruption Code of Conduct, General Code of Conduct Framework, and our wider commitment to ethical, transparent and responsible conduct.

2. Scope

This policy applies to:

- all financial transactions, projects, and partnerships undertaken by FoW
- both national and international activities, including via partner organisations and subcontractors
- any individuals acting on behalf of FoW, regardless of their role or contractual arrangement

3. Principles and legal framework

FoW is committed to:

- Complying with national and international legislation on AML/CTF, including:
 - The Danish Anti-Money Laundering Act
 - UN Security Council Resolutions (including 1373, 1267, 2462)
 - EU restrictive measures and terrorist sanctions lists
 - International standards, including the FATF recommendations

- Ensuring that no activities, funding, or partnerships directly or indirectly facilitate:
 - Money laundering
 - Financing of terrorist acts
 - Support to persons, groups, or entities subject to UN or EU sanctions
- Acting in accordance with the “know your partner” (KYP) principle and conducting proportionate due diligence when entering new partnerships

4. Preventive measures

To reduce the risk of funds being misused for money laundering or terrorist financing, FoW applies the following safeguards:

- All project and funding agreements include an AML/CTF clause aligned with donor and legal requirements.
- Financial documentation is maintained in accordance with Danish bookkeeping law and in a manner that ensures full traceability of all transactions.
- Independent audits are conducted according to international standards and donor-specific AML/CTF audit instructions, where applicable.
- Regular financial monitoring and review meetings are held with partners to identify unusual transactions, inconsistencies, or other AML/CTF risks.

5. Specific measures and responsibilities

5.1 Due Diligence and Screening

- FoW conducts risk assessments and, where relevant, screens new partners/contracts/employees against sanction lists (EU, UN) for larger or higher-risk engagements.
- All contracts must include acceptance of AML/CTF obligations and the right to terminate cooperation in case of violations.

5.2 Contractual Requirements

All agreements with partners, suppliers, and sub-grantees must include provisions requiring compliance with AML/CTF regulations and applicable sanctions.

5.3 Detection and Response

Any suspicion of funds being misused in breach of AML/CTF obligations must be reported immediately to FoW's Head of Finance and Administration.

If funds are found to have been inadvertently provided to a sanctioned party, relevant authorities and donors will be notified, and remedial measures initiated.

5.4 Documentation and Record-Keeping

FoW maintains documentation of all major financial transactions, partner agreements, and screening activities for a minimum of 10 years.

5.5 Training and Awareness

Relevant staff are introduced to this policy and receive guidance on compliance procedures.

6. Handling and reporting

FoW refers to its General Code of Conduct and Anti-Corruption Code of Conduct for guidance on behaviour and standards. All concerns or suspicions related to money laundering or terrorism financing must be reported to the Head of Finance and Administration.

Reports can also be submitted through FoW's Feedback and Complaint Mechanism – anonymously if preferred.

7. Consequences of non-compliance

Violations of this policy may result in:

- Termination of cooperation or contractual relationships
- Internal disciplinary action
- Legal reporting and/or repayment of funds

8. Implementation and monitoring

FoW will monitor the implementation of this policy and its integration into relevant systems and agreements. The Head of Finance and Administration is responsible for ensuring compliance.

9. Review

This policy is reviewed annually or in connection with significant legal or contextual changes, and in alignment with FoW's General Code of Conduct review cycle. The Head of Finance and Administration is responsible for reviewing the policy.

Date for latest update	Changes made	Responsible
August 2025	First version adopted	LVA/JKR
November 2025	Layout	KSK