



## **Program Related Investment (PRI) Policy**

*Effective March 1, 2026*

### **Purpose**

This Program Related Investment Policy establishes the principles, standards, and procedures governing the evaluation, approval, and administration of Program Related Investments (“PRIs”) made through SDG Global.

Program Related Investments are intended to advance the charitable mission and exempt purposes of SDG Global by deploying philanthropic capital in ways that support innovative, mission-driven initiatives while preserving the potential for capital recovery and reinvestment into future charitable activities.

This policy provides a framework designed to ensure that all Program Related Investments are conducted in a manner consistent with applicable law, fiduciary responsibility, and the long-term mission of SDG Global.

### **Definition of Program Related Investments**

For purposes of this policy, a Program Related Investment is an investment made primarily to accomplish one or more charitable purposes consistent with the mission of SDG Global. In accordance with applicable federal tax law governing charitable organizations, the production of income or appreciation of property must not be a primary purpose of the investment.

Program Related Investments may take a variety of forms depending on the nature of the charitable activity being supported. These investments may include loans, equity investments in mission-driven enterprises, recoverable grants, revenue participation agreements, guarantees, or other financial instruments designed to advance charitable initiatives while preserving the possibility of capital recovery.

Any principal repayment, interest, or other financial return generated from a Program Related Investment shall remain within the charitable assets of SDG Global or the recommending donor’s charitable fund and shall continue to be used exclusively for charitable purposes.

### **Alignment with Charitable Mission**

All Program Related Investments must further the charitable mission and programmatic objectives of SDG Global. Each proposed investment must demonstrate a clear

connection to charitable activities that advance measurable social, environmental, or humanitarian outcomes.

In evaluating potential investments, SDG Global will consider whether the proposed activity meaningfully advances initiatives aligned with the United Nations Sustainable Development Goals (SDGs) and the broader impact priorities of the organization. The primary motivation for any Program Related Investment must remain the advancement of charitable purposes rather than the generation of financial return.

### **Eligible Recipients**

Program Related Investments may be made to a range of organizations and enterprises whose activities advance charitable objectives consistent with the mission of SDG Global. These recipients may include tax-exempt nonprofit organizations, international charitable organizations, mission-driven social enterprises, and other entities whose activities further charitable purposes.

In certain circumstances, Program Related Investments may be made to organizations that are not themselves tax-exempt charities, provided that the investment demonstrably advances charitable purposes and complies with all applicable regulatory requirements governing charitable organizations.

Additional compliance procedures may be required when Program Related Investments involve international organizations or entities that are not recognized as tax-exempt charities under United States law.

### **Investment Structures**

Program Related Investments may be structured using a variety of financial instruments depending on the nature of the charitable initiative and the structure of the recipient organization. These investments may take the form of loans, equity investments, convertible debt instruments, revenue-based financing arrangements, recoverable grants, or other mission-aligned investment structures designed to advance charitable objectives.

The specific terms and structure of any Program Related Investment shall be determined by SDG Global based on the nature of the opportunity, the anticipated charitable impact, and the overall risk profile of the proposed investment.

### **Review and Approval Process**

All Program Related Investments are subject to a formal review and approval process administered by SDG Global. This review process is intended to ensure that each proposed investment advances charitable purposes, aligns with the mission of the organization, and complies with applicable legal and regulatory requirements.

The evaluation process may include an assessment of the charitable objectives of the proposed investment, a review of the recipient organization and its leadership, an analysis of financial and operational risks, and an examination of the proposed investment terms.

Program Related Investment recommendations submitted by donors or their advisors are advisory in nature. SDG Global retains sole and absolute discretion to approve, modify, structure, defer, or decline any proposed investment recommendation. In conducting its review, SDG Global may request additional documentation, conduct due diligence, or engage legal, financial, or subject-matter advisors as deemed appropriate.

### **Risk Considerations**

Program Related Investments inherently involve financial risk and may result in the partial or complete loss of invested capital. Unlike traditional investments, Program Related Investments are made primarily for the purpose of advancing charitable outcomes rather than generating financial return.

In evaluating potential investments, SDG Global will consider the anticipated charitable impact of the investment alongside the potential financial risks involved. While capital recovery may occur in certain cases, the preservation of charitable purpose remains the primary consideration in all Program Related Investment decisions.

### **Compliance with Applicable Law**

All Program Related Investments must comply with applicable federal and state laws governing charitable organizations, including the provisions of the Internal Revenue Code and related regulatory guidance concerning charitable activities, private benefit restrictions, and fiduciary responsibility.

SDG Global will structure and administer Program Related Investments in a manner consistent with its status as a tax-exempt public charity under Section 501(c)(3) of the Internal Revenue Code. When appropriate, additional compliance procedures may be implemented, including expenditure responsibility requirements, international grantmaking compliance procedures, and other regulatory safeguards necessary to ensure adherence to applicable law.

### **Monitoring and Reporting**

SDG Global may require recipients of Program Related Investments to provide periodic reports regarding the progress and impact of funded initiatives. These reports may include updates regarding programmatic activities, financial performance, and the status of any repayment obligations associated with the investment.

The nature and frequency of reporting requirements will be determined by SDG Global based on the structure of the investment, the level of financial risk involved, and the anticipated charitable outcomes associated with the investment.

## **Administration and Oversight**

Program Related Investments shall be administered by SDG Global in accordance with this policy and the broader governance framework of the organization. The Board of Directors of SDG Global retains ultimate oversight authority with respect to the implementation of this policy.

The Board may review, amend, or modify this policy from time to time in order to reflect evolving regulatory requirements, emerging best practices in charitable impact investing, or the strategic priorities of the organization.

## **Disclaimer**

Nothing in this policy shall be interpreted as creating any obligation on the part of SDG Global to approve or pursue any specific Program Related Investment opportunity. All decisions concerning Program Related Investments remain subject to the independent judgment and fiduciary responsibility of SDG Global.