In adolescence, ethnic identity (EI) development unfolds in the context of peer relationships and may have a significant impact on behavioral adjustment. However, limited research has examined the influence of EI on adolescent functioning and the role of peers in this relationship. Thus, this study tested the mediating role of peer susceptibility in the relationship between EI and adolescent prosocial and health risk behavior, and the conditional effects of peer group norms. Participants included 470 racially/ethnically diverse adolescents (50% female) from ages 10-14 years. Self-report questionnaires completed by participants were used to measure EI, peer susceptibility, prosocial behavior, health risk behavior, and positive/negative peer group norms. Using a moderated mediation regression model, results suggested that EI predicted prosocial behavior but not health risk behavior; however, this was not mediated by peer susceptibility. Instead, peer susceptibility predicted increased health risk behavior at higher levels of negative peer group norms (but positive peer group norms did not buffer this relationship). Taken together, findings highlight the importance of negative peer group norms in predicting adolescent health risk behavior, and the influence of EI on adolescent prosocial behavior.