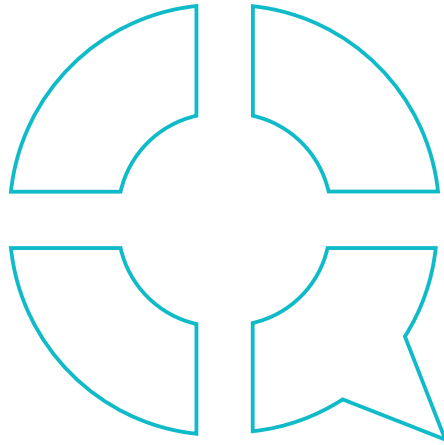




# Ethics in CAF.



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## Message from the president

Since its inception, CAF – Development Bank of Latin America and the Caribbean – has upheld the highest ethical standards in all its endeavors. Staying true to this commitment and legacy, I am pleased to present "Ethics in CAF," a document that encapsulates the principles and spirit of CAF's Code of Ethics.

Dedicated to the progress and well-being of Latin America and the Caribbean, CAF understands the importance of establishing a clear framework of ethical principles and conduct guidelines that steer our behavior and decisions. The Code of Ethics thus serves not only as a formal document but as a comprehensive set of standards that we strive to meet in all our actions. This explanatory document is a testament to that commitment.

In our global operating environment, ethics is a fundamental prerequisite for sustained success and a positive impact on the communities we serve. Therefore, this document incorporates conduct rules that align with the highest global standards. These rules cover areas such as gender equity, respect for human rights, environmental stewardship, responsible social media engagement, and the responsible use of artificial intelligence.

I encourage each of you to embrace these principles and integrate them into every aspect of your daily work. It is clear that only through a collective commitment to ethics and integrity can we achieve our goals and fulfill our mission effectively, benefiting our region and the Latin American and Caribbean populations that drive our actions—always ethical, always proactive, always transformative.

**Sergio Díaz-Granados G.**  
Executive president



## Objective

This document aims to provide a detailed exposition of the general provisions, guiding ethical principles, conduct guidelines, and reporting procedures established in the Code of Ethics, as well as to offer relevant and supplementary explanatory information. The Code of Ethics is intended to establish the values that govern the operations of CAF and the conduct rules to which the Obligated Persons must adhere.

## Scope of the Code of Ethics

CAF staff, employees on fixed-term contracts not designated as officials, interns, and exchange personnel (hereinafter “**Obligated Persons**”), regardless of their location, are required to comply with the **Code of Ethics**.

Consequently, CAF will request that anyone involved with or related to its activities, including clients, suppliers, consultants, and others, conduct themselves in accordance with the Code and adopt its standards as a minimum level of commitment.

## Development

The responsibility to issue the necessary provisions for the proper implementation and enforcement of the Code of Ethics lies with the executive vice president (EVP), with prior approval from the Labor Integrity Committee (LIC).

## General provisions

- CAF will require acceptance and adherence to the Code as a condition for establishing a contractual relationship. Non-compliance may result in reprimands or various penalties, including the termination of the contractual relationship.
- CAF will seek to avoid engaging with individuals whose past behavior or reputation is inconsistent with the objectives and values upheld by the Code.
- Obligated Persons** are expected to respect the principles and conduct rules of the Code, both within and outside CAF's facilities, to avoid any damage to the Corporation's reputation or image.
- CAF will disseminate the content and scope of the Code to all Obligated Persons, as well as to its clients, suppliers, consultants, and the general public.
- The **Office of Ethics, Integrity, and Compliance (OEIC)** will be responsible for addressing any breaches of the Code through the mechanisms established by CAF, as well as for interpreting its content and resolving any questions about its application.

**The content and scope of the Code of Ethics will be communicated by CAF to all Obligated Persons, clients, suppliers, consultants, and the general public.**





# General ethical principles

## Transparency

We communicate our information clearly, relevantly, and openly, except in precise and justified cases.

## Integrity

We act honestly, avoiding conflicts of interest and undue influences, and adhering to established standards. We care about how we achieve our goals, fostering an environment of trust.

## Equity

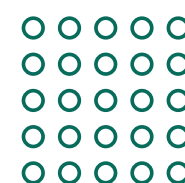
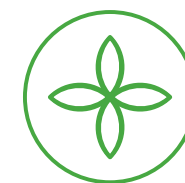
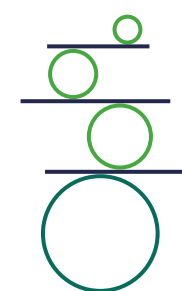
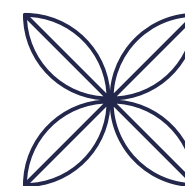
We recognize and respect individual diversity, promoting a multicultural environment that integrates and complements us. We support equal opportunities, free from arbitrary decisions and discrimination, in accordance with established norms.

## Responsibility

We act responsibly towards the well-being of individuals, society, and the environment, remaining consistent with our commitments and duties while prioritizing corporate interests.

## Respect

We value individuals and respect their viewpoints, acting and speaking with judgment and tact. We are cautious and empathetic.





## Discrimination and violence-free environment

**Obligated Persons** must refrain from engaging in, accepting, or tolerating abusive conduct, harassment, discrimination, or any form of violence.

**Obligated Persons** should support, encourage, and value the inclusion and diversity of the workforce, ensuring a respectful and inclusive work environment free from violence. They must ensure that no one is subjected to discrimination for any reason, including gender, sexual orientation or identity, disability, ethnic or racial diversity, religion, political affiliation, age, or any other characteristic.

### What types of situations are considered discrimination and violence?

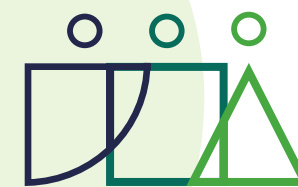
- Gender discrimination, sexual orientation or identity discrimination, disability, ethnic or racial diversity, religion, political affiliation, age, or any other characteristic.
- Abuse of authority.
- Harassment.
- Any form of violence, including physical, psychological, economic, sexual, and social.
- Observations regarding personnel conduct should be made privately.

### How to maintain a discrimination and violence-free environment?

Familiarize yourself with our policies and regulations. Act consistently in accordance with these to avoid participating in discriminatory and violent situations. By doing so, we actively contribute to a healthy and diverse environment.

#### Remember...

... acknowledging the differences that define us as human beings enriches our work experiences.



## Equal opportunities

**Obligated Persons** must ensure that all processes related to recruitment, hiring, promotion, compensation, or task assignment are conducted fairly and impartially. They should apply standards consistently and fairly, based on performance and the goal of identifying candidates with the best fit and qualifications for the role, while continuously promoting equal opportunities.

### What types of situations reflect equal opportunities?

- Promotion of gender equity, inclusion, and diversity.
- Selection of personnel in accordance with regulations.
- Ongoing encouragement of professional development.
- Fair distribution of workload.
- Equal pay for equal work.

### How to determine if my practices impact my hiring and promotion decisions?

Decisions should be based on evaluating skills, capabilities, and job merits.

#### Remember...

... awareness of cases leading to inequality of opportunities makes us participants in them. Let us work together to create a space where our ethical principles prevail in our work environment.





## Social, environmental responsibility, and human rights

**Obligated Persons** must adhere to the measures communicated and implemented by CAF regarding sustainable development. This includes integrating corporate sustainability, environmental and social management into operations, promoting new initiatives to transition production models towards carbon neutrality and climate resilience, and restoring and valuing biodiversity.

They must also respect human rights and reject any activities involving forced or child labor, as well as human trafficking.

### How to promote sustainable and responsible environmental management for CAF's activities?

- Implementing best practices and initiatives for the responsible use of resources such as energy and water.
- Encouraging responsible use and consumption of goods and services that impact natural resources and the environment (e.g., paper, personnel transportation, air travel).
- Offsetting the institutional carbon footprint.
- Developing solidarity and responsible activities with staff participation to contribute to biodiversity and the maintenance of public spaces.
- Selecting suppliers that support sustainable, social, and environmental development.

### What types of situations may pose an environmental and social risk?

Common situations include:

- Environmental pollution impacts on biodiversity;
- Contribution to climate change;
- Displacement of communities;
- Damage to cultural heritage;
- Impacts on worker and community health and safety;
- Improper waste management;
- Non-compliance with environmental regulations;
- Negative impacts or violations of human rights.

### Did you know...

... that through its environmental and climate change guidelines, CAF reaffirms its commitment to becoming the green bank of Latin America and the Caribbean?



## Personal safety and health

**Obligated Persons** must follow the safety and health measures communicated and implemented by CAF to maintain a safe and healthy work environment.

### How to maintain a safe and healthy work environment?

- Actively participating in drills, simulations, and other activities related to safety, order, and cleanliness.
- Reporting safety hazards and unsafe conditions.
- Informing suppliers about applicable safety, hygiene, and environmental measures.
- Avoiding unsafe practices and implementing preventive measures to mitigate, among other things, ergonomic risks.

### Where to turn

In the event of work-related incidents or accidents, we are obligated to report them to the **Safety, Hygiene, and Environment officer**.



## Compliance with regulations

**Obligated Persons** must adhere to the Constitutive Agreement, the General Regulations, Headquarters Agreements, internal policies, regulations, and any other current internal regulations of **CAF**.

They must also comply with legal and financial obligations corresponding to the country in which they are located, without prejudice to the privileges and immunities granted by the shareholder countries for the performance of their duties.

Additionally, they must abide by the provisions of this **Code of Ethics**. If there are discrepancies between local practices or customs and the guidelines established in the Code, **Obligated Persons** must follow the Code, unless local practices meet a higher standard or the Code's requirements are illegal in that jurisdiction.



## Adherence to approvals and instructions

**Obligated Persons** must act in accordance with internal decisions and directives issued by the relevant organs or units. They may express personal or professional opinions **internally for consideration**.

If internal decisions conflict with the Code of Ethics or applicable regulations, **Obligated Persons** must report this to the appropriate internal authorities. In special situations, staff may request their supervisor to be exempted from activities that directly contradict their personal beliefs.

### How to manage differences between CAF's internal regulations and local laws?

- Assessing the feasibility of adopting higher local standards without compromising the **Code of Ethics**.
- Communicating and justifying any actions with the supervisor honestly.
- Reporting and documenting any conflicts for ongoing review.

#### Our commitment

As the green bank of the region, CAF is committed to complying with the laws, regulations, and standards applicable in the places where we operate. Our internal regulations ensure the well-being of both the bank and its staff, preventing conflicts of interest and promoting mutual respect.

### How to express divergent opinions on external decisions?

Seeking agreements that balance internal decisions with personal integrity through responsible limits and interim solutions. Additionally, **CAF's** staff actions should align with current regulations and the **Code of Ethics**.

#### In this way...

... CAF's staff must adhere to and comply with directives, instructions, and orders issued in the course of their work, whether directly or through established channels.







## International character of Obligated Persons

In performing their duties, **Obligated Persons** should neither seek nor receive instructions from any external sources, be it a government, another international organization, or an authority outside the corporation.

When **CAF** decides to assign an employee to an external entity, the employee may accept instructions from that entity only if they align with this Code.

It is prohibited to engage in or endorse political activities on behalf of **CAF** or while displaying any institution insignia.

## Use of immunities, exemptions, and privileges

Immunities, exemptions, and privileges, or other rights and benefits granted to staff under the Constitutive Agreement and the Headquarters Agreement, as well as any other applicable regulations, must be used strictly in accordance with these provisions. This does not justify the neglect of private obligations or the violation of laws and regulations in the host state.

### Remember...

... as a multilateral financial institution, **CAF** supports and upholds the sustainable development of its shareholder countries for regional integration. Therefore, staff must act with integrity based on general ethical principles.

### How do we manage our performance?

#### As part of CAF's staff:

- We do not accept government distinctions or honors without the executive president's authorization.
- We do not receive remuneration from governments or other entities, except for **teaching activities, conferences, or retirement.**
- We fulfill our mission whether we are in the country where we provide services or not.

### What is the purpose of immunities, exemptions, and privileges?

To enable CAF, as a legal person of public international law, to fully and efficiently carry out its functions.

### Remember...

... in the event of a conflict with the authorities of shareholder countries regarding the exemptions, immunities, and privileges enjoyed, we must report it to the respective immediate supervisor.





## Protection of CAF's assets

**Obligated Persons** are required to safeguard and properly use CAF's tangible and intangible assets, as well as its reputation, exclusively for the performance of their assigned duties.

### How do we protect assets?

- Adhering to internal guidelines for asset use.
- Recognizing that the **CAF** brand is a vital asset and uphold its reputation in all our activities.
- Using assets solely for work-related purposes, avoiding commercial gain or personal advantages.
- Not lending or jeopardizing assets to loss, damage, or theft.
- Unless permitted, not removing assets from CAF's facilities.

### At CAF...

... we are aware of our responsibility to care for and properly use CAF's assets, taking all possible measures to prevent damage.



## Intellectual and industrial property

**Obligated Persons** must respect CAF's and third parties' intellectual and industrial property rights, and should not use these rights for personal or improper purposes. This includes the institutional image and any partial or final results, whether abstract or tangible, developed by CAF's staff as a consequence of their work or duties within CAF.

### Recognition of CAF's intellectual and industrial property

We acknowledge that all works, concepts, methods, inventions, computer systems, applications, training materials, and any other developments resulting from our work at CAF are the property of **CAF**.

### Our staff...

... is responsible for complying with internal regulations governing the use of **CAF's** name and logo and for ensuring the proper use of the Corporation's image and identity with counterparts.

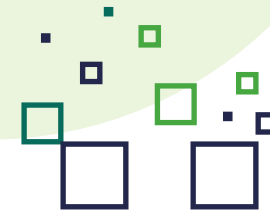




## Privacy and information security

Obligated Persons, even after their association with CAF ends, must adhere to applicable privacy and information security standards, maintaining confidentiality of data, decisions, or internal deliberations, as well as any information acquired through their activity within the Corporation.

This obligation may be waived if required by court order or for reasons of public security, defense of the Corporation, or health concerns.



## Responsible artificial intelligence

CAF, along with **Obligated Persons**, must promote, use, or develop artificial intelligence (AI) in alignment with internationally recognized ethical principles and standards, respecting human rights and authorship, dignity, equity and equal opportunities, privacy and confidentiality, sustainability, inclusion, transparency, accountability, and enhancing quality of life.

### We handle personal data responsibly

- We obtain consent appropriately.
- We establish rights for the data subjects.
- Data is used solely for its intended purpose and only collected if necessary.
- We prevent adverse effects from data processing.
- We clearly communicate how data will be processed.
- Data is processed securely.

### How do we protect our information?

- Storing confidential information in secure locations and verify the necessity of sharing it.
- Being cautious in communications and vigilant against cyber threats.
- Participating in information security and cybersecurity training programs and simulations.

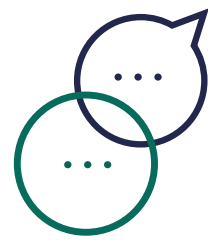
### Responsible use of artificial intelligence

At CAF, ethical and responsible AI usage is a guiding mandate in our daily operations.

### The principles guiding AI use at CAF include:

- Transparency
- Understandability and trust
- Documentation and auditing
- Privacy
- Human review and control of decisions
- Inclusion and equity
- Accountability





## Interaction with media and public appearances

Unless explicitly part of their assigned functions or required for CAF's activities, Obligated Persons must refrain from commenting or publishing, either officially or unofficially, on CAF's matters. They should avoid providing material for publication, interacting with media, or maintaining any media connections regarding CAF's issues.



## Use of social media

**Obligated Persons** must protect CAF's tangible and intangible assets, reputation, and information.

When using social media, they must exercise good judgment, adhere to CAF's guidelines, and ensure their posts are not interpreted as representing CAF's position.

Political advocacy or expressing political preferences on behalf of CAF or leveraging their institutional position is prohibited.

### Spokespersons

In addition to the executive president, CAF designates permanent, occasional, or specialized local **spokespersons**.

For communications from authorized spokespersons, no other staff member should provide statements or elaborate on their comments unless authorized by the executive president or the delegated **spokesperson**.

### We are accountable

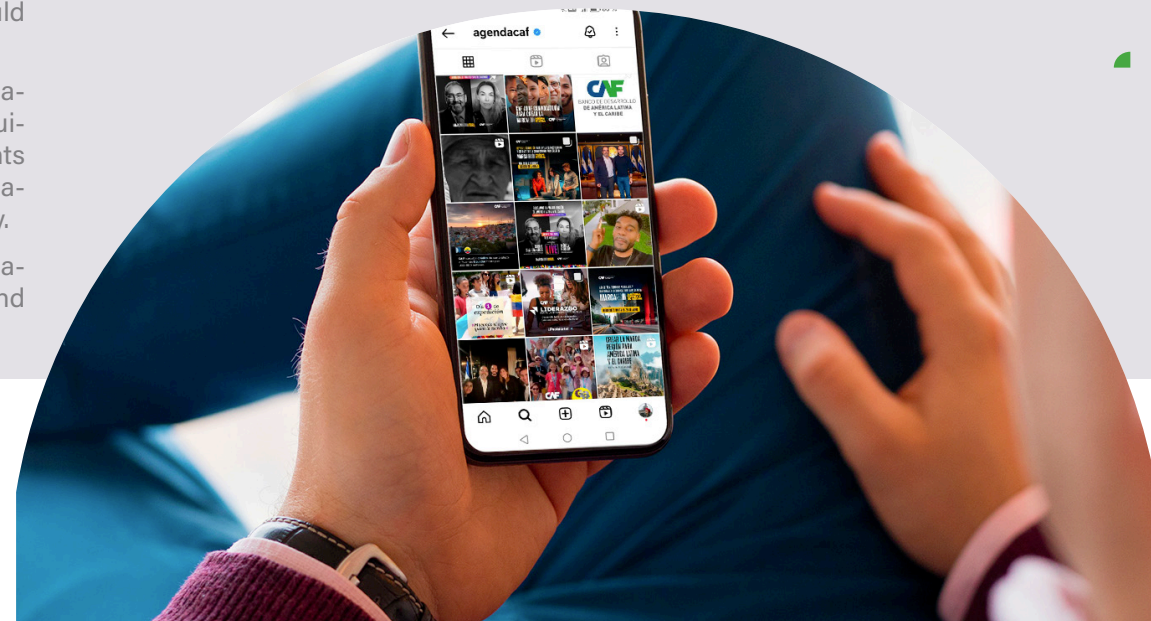
- Only authorized **spokespeople** from CAF are permitted to make official statements.
- Our **spokespeople** do not express personal opinions; instead, they convey the Corporation's stance on various issues.
- Spokespeople** must never disclose confidential information pertaining to the Corporation.
- We do not issue opinions or positions on matters of domestic or international policy, or public issues that could contradict CAF's official stance.
- We consult the Strategic Communications Department in advance for guidance. In the event of major incidents or crises, the Crisis and Incident Management Team takes responsibility.
- Our **spokespeople** undergo specialized training to ensure effective and consistent communication.

### Effective communication

At CAF, our communication is guided by the general ethical principles outlined in the Code of Ethics to preserve, protect, and represent our entity's excellent reputation.

### How to act correctly on social media?

- Respecting others' opinions.
- Maintaining a professional profile, promoting a positive image.
- Avoiding involving CAF in political debates or disseminating opinions or information of this nature.
- Ensuring personal opinions are not associated with CAF on social media.
- Being mindful of what we communicate, verifying the accuracy of the information shared.
- Using appropriate language and respecting both our privacy and that of others.







## Effective performance of duties

Obligated Persons are expected to perform their tasks to the highest standard, ensuring they are not under the influence of alcohol or any psychoactive substances that could impair their performance, safety, or health.

## Conflict of interest

**Obligated Persons** must avoid conflicts of interest. Anyone who identifies a potential conflict, whether perceived personally or by others, must promptly report it to their supervisor. If the conflict cannot be resolved at the higher level, the OEIC will provide the necessary guidance and may make a determination on the matter.

Additionally, **Obligated Persons** should refrain from accepting any gifts or entertainment in accordance with CAF's internal policies. They must also ensure that personal affiliations with political groups or parties do not influence their decisions or duties related to CAF.

### How do we effectively perform our duties?

- Working during officially established days and hours.
- Treating each other with courtesy, respecting the individuality and dignity of those with whom we interact.
- Diligently and carefully carrying out our assigned responsibilities and complying with internal regulations.
- Protecting documents and other assets of the Corporation.
- Committing to effectively execute assigned tasks, providing timely updates to our superiors, and striving to exceed expectations and contribute to team success.

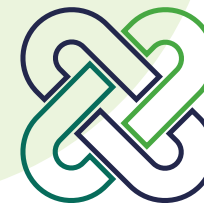
### What constitutes a personal conflict of interest?

A personal, family, or other circumstance that could affect the impartial performance of duties and potentially conflict with CAF's interests. Conflicts of interest can be actual, potential, or apparent.

### Examples of conflicts of interest

While it is impossible to cover all scenarios, some common examples include:

- Serving on boards or committees of other organizations.
- Supervising or having control over a partner within the workplace.
- Making business decisions about a client who was a previous employer.
- Maintaining a personal business or investment relationship with a CAF's client whom you advise in your daily work.
- Approving transactions for a counterparty where a family member holds an executive position.



# Prohibited practices

**Obligated Persons** must avoid engaging in any prohibited practices, including direct or indirect corruption, fraud, coercion, collusive or obstructive practices, and misuse of funds.

# Prevention of money laundering and terrorism financing

Obligated Persons must implement the measures and procedures established by CAF to prevent and combat money laundering and terrorism financing. They should report any alerts that cannot be dismissed to the relevant authorities.

## What are the prohibited practices?

### Corrupt:

Influencing others through the offer, delivery, receipt, or request of anything of value to obtain undue benefits.

### Fraudulent:

Engaging in actions or omissions intended to deceive and gain economic or other advantages.

### Coercive:

Harm or threats of harm to individuals or property to unduly influence their actions.

### Collusive:

Agreement between two or more parties to achieve improper goals or influence others in an inappropriate or illegal manner.

### Obstructive:

Destroying, falsifying, or concealing evidence in investigations, providing false statements, or intimidating to prevent the disclosure of relevant information.

### Misuse of funds:

Using CAF's funds intentionally or negligently for unauthorized or improper purposes.

## How to actively contribute to the prevention of money laundering and terrorism financing?

We recognize that maintaining CAF's reputation in international markets is crucial, and compliance with due diligence controls is essential. We actively participate in all established training processes.

## Who do we conduct due diligence on?

We perform due diligence on:

- Clients
- Counterparties and financial partners
- Resource beneficiaries
- Suppliers
- Staff
- Authorized third parties receiving disbursements

## Committee on Prohibited Practices

The committee's objective is to prevent, detect, and investigate prohibited practices related to CAF's operations and projects.

## Our duty

When a prohibited practice is identified or suspected, it must be reported to CAF's Whistleblower Line.

## Always vigilant

Immediately contact the **Office of Ethics, Integrity, and Compliance** if any alert signals arise, including those from prohibited lists that you cannot dismiss.





# Whistleblowing guidelines



## Reporting violations

**Obligated Persons** who witness, become aware of, or suspect any irregularity, including but not limited to violations of the **Code of Ethics**, are required to report it to the appropriate authority.

## Willful blindness

**Obligated Persons** engage in willful blindness if they ignore their obligation to report an irregularity or alert signal they are aware of.

Similarly, a supervisor who fails to report an irregularity notified by a staff member is also considered to be willfully blind.

## Protection of whistleblowers and the reputation of the accused

CAF will handle all good faith reports through its channels and ensure no retaliation against those who make reports or participate in the reporting process.

**Obligated Persons** who report or assist in managing a report and believe they have faced retaliation should promptly notify the relevant **CAF's** authority.

In responsibility procedures, **CAF** will presume that everyone is innocent until a contrary conclusion is reached. Everyone must be treated with respect without damaging their reputation.

