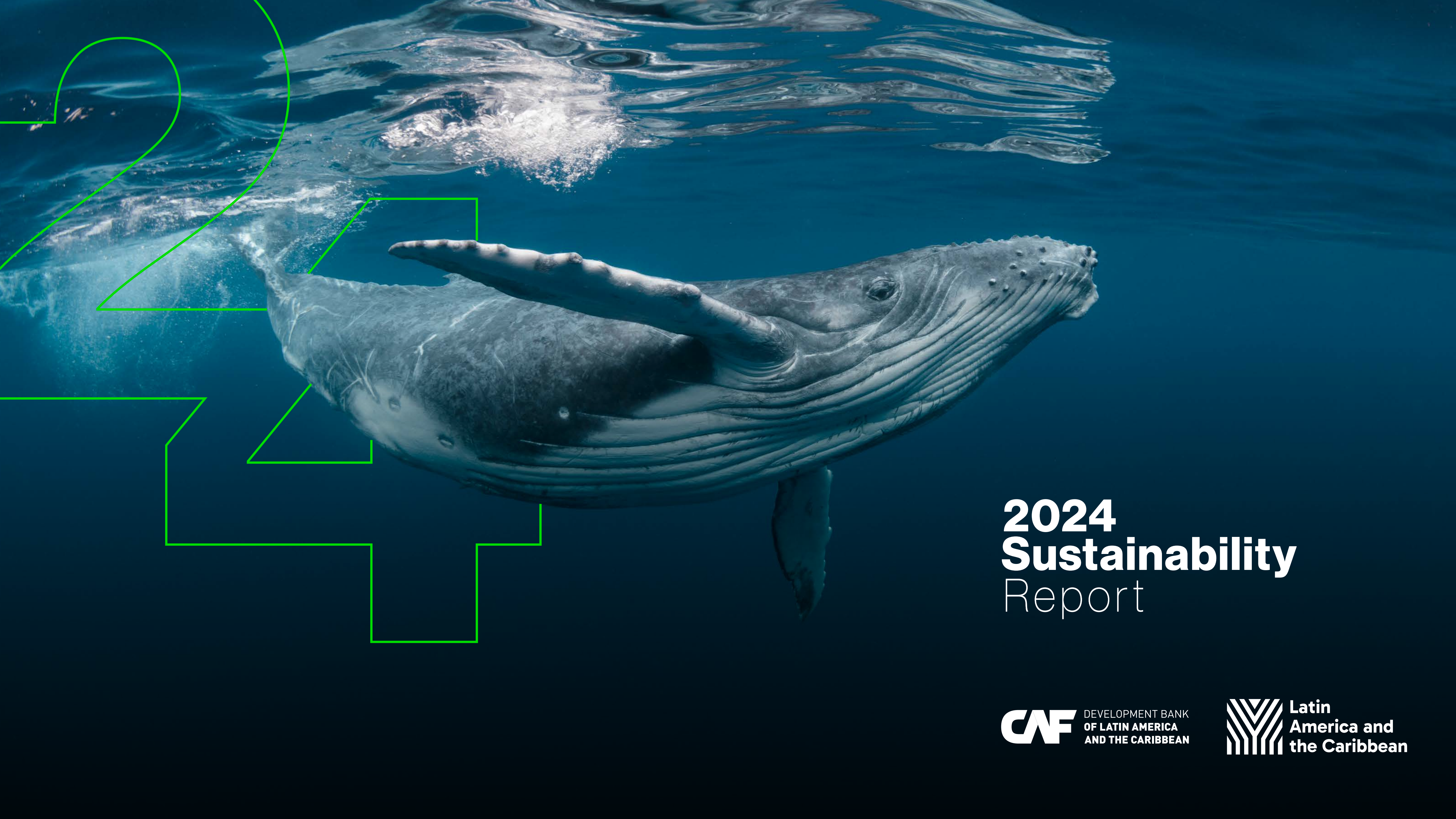




2024 Sustainability Report

CAF DEVELOPMENT BANK
OF LATIN AMERICA
AND THE CARIBBEAN

 **Latin
America and
the Caribbean**



Sustainability Report 2024

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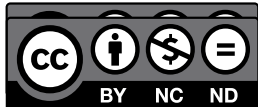
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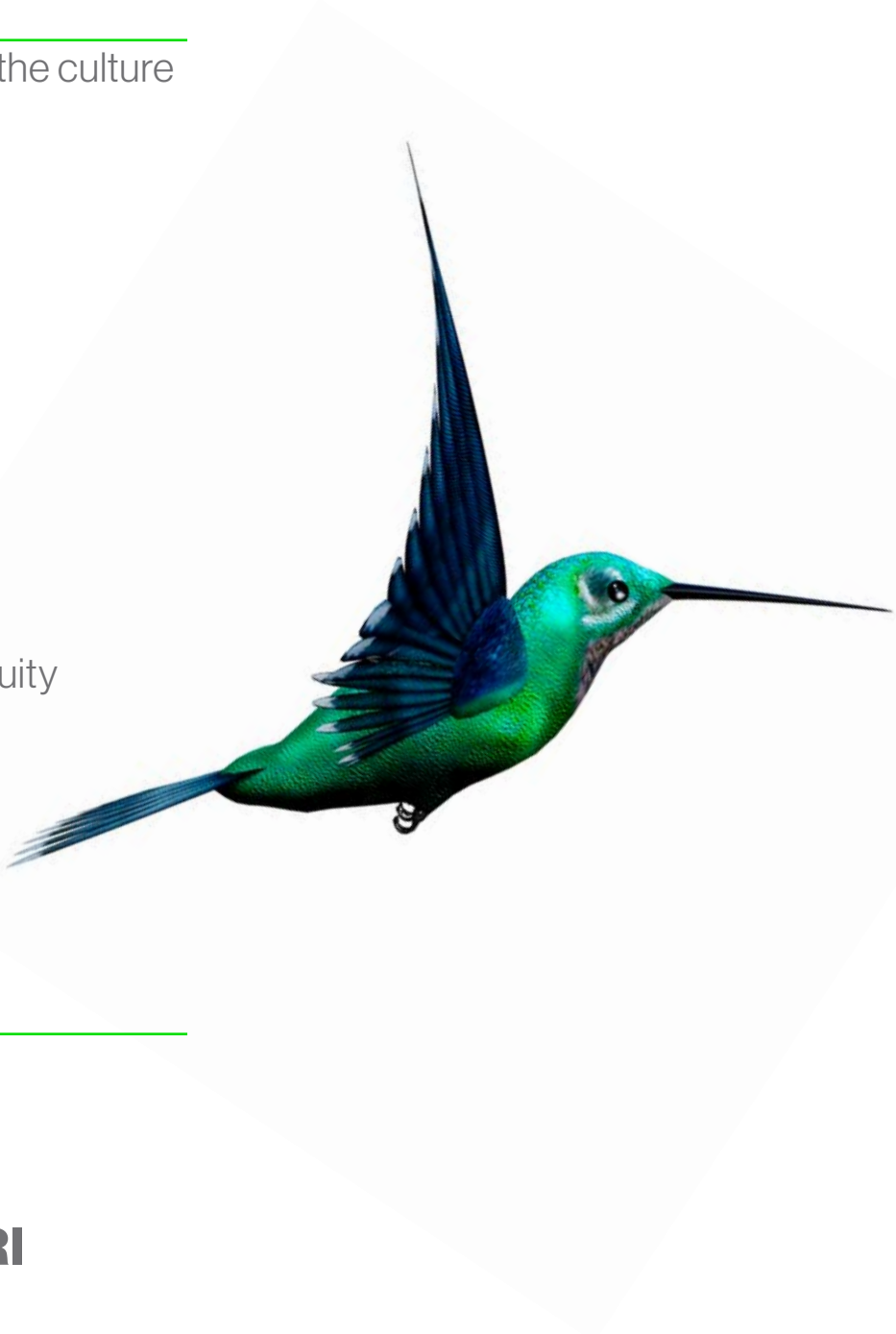
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Letter from the Executive President

GRI 2-22

Consolidating our position as the green bank for sustainable and inclusive growth in Latin America and the Caribbean is not only a strategic goal, but also a response to the urgent need to close the region's development gaps. Each country where we operate presents unique opportunities that, with CAF's support, we transform into concrete actions to boost prosperity, equity, productivity, environmental quality and social well-being.

In 2024, we reaffirmed our commitment to CAF's institutional strategy to 2026, strengthening our presence and expanding our impact in the region. We also continue to promote projects in health, education, infrastructure, energy transition, transportation and access to potable water and sanitation, in alignment with the Sustainable Development Goals (SDGs).

To strengthen our strategy, we deepened our mission, cross-cutting and enabling agendas through initiatives such as energy transition, protection of strategic ecosystems, inclusive

social development, territorial resilience, gender inclusion and equity, and institutional transparency and governance.

Forty-one percent of CAF's financing in 2024 was green, ahead of the 2026 target of 40 percent green financing. Likewise, during the last year, and thanks to the meticulous work of CAF teams in collaboration with the countries, 68% of operations incorporated green components and 48% of sovereign sector operations included gender, inclusion and diversity components (SDG 5 and SDG 10). In 2024, we approved USD 15.787 billion to drive sustainable development in the region. Of this total, USD 7,094 million strengthened the entrepreneurial ecosystem, access to finance for SMEs and sustainable investments, supporting SDG 8 (Economic Growth and Decent Jobs), SDG 9 (Resilient Infrastructure and Innovation) and SDG 13 (Climate Action).

In addition, USD 3.486 billion was allocated to water security and urban development projects, supporting SDG

6 and SDG 11. USD 1.844 billion was approved for digital infrastructure and sustainable transportation, contributing to SDG 9 and SDG 11.

As a Green Bank, we reaffirmed our commitment to the region by bringing the voice of Latin America and the Caribbean to the three major global forums that took place during the year: COP16 on Biodiversity in Cali, Colombia; COP29 on Climate Change in Baku, Azerbaijan; and COP16 on Desertification and Land Degradation in Riyadh, Saudi Arabia. During these events, CAF reaffirmed its goal to become the leading green finance bank in Latin America and the Caribbean, and to promote an ecosystem approach and low-carbon development, in accordance with the Kunming-Montreal Global Biodiversity Framework and the Paris Agreement. Our goal is to support collaboration among the countries of the region to address the climate and biodiversity crisis, setting the framework for the next global event, the COP30 Climate Summit, to be held in the region

during 2025 in Belém (Brazil), and planning an agenda of annual events that will become platforms where the voice of Latin American and Caribbean countries is heard.

We also continue to work to reduce inequalities by strengthening 21st century skills, improving health and nutrition, and promoting equity policies. In 2024, we allocated more than USD 300 million to the overall reform of Uruguay's social security system, benefiting close to 40,000 affiliates. We also invested more than USD 400 million to guarantee food and nutrition for socially vulnerable families in Argentina. More than 7 million people benefited from programs to strengthen food and nutrition, and almost 300,000 inhabitants of the triple border between Bolivia, Brazil and Peru benefited from malaria mitigation and prevention in affected areas.

We also strengthened our productivity and internationalization agenda, with a special focus on small and medium-sized enterprises. **In 2024, a total of USD 6.393 billion was approved, 42 % of the total amount approved by the bank,** to enhance development through financial partners and promote impact initiatives for the productive sectors. This included the promotion of a just energy transition, the financial inclusion of historically excluded groups, such as women entrepreneurs and MSMEs, and

support for the productive and digital transformation of companies, with a focus on entrepreneurship.

None of this would be possible without the talent and commitment of our people. In 2024, CAF focused on strengthening corporate identity and culture, improving the employee experience and enhancing their sense of belonging. In addition, we boosted their professional development with the Lidera program, training **28 emerging leaders in ESG, inclusive leadership and digital transformation.** This supports our strategy of **“Empowering Talent”** and underscores our dedication to a more inclusive, agile and impactful organization.

CAF will continue its efforts to strengthen its presence and generate a positive social and environmental footprint in Latin America and the Caribbean. In this sustainability report, we reflect our management in 2024 and its impact on the region. Likewise, it also shows CAF's commitment to transfer its actions in sustainability, as it is 10 years since CAF published its first sustainability report in 2015. We will continue to be strategic allies of our shareholder countries in advancing their sustainable development goals.

Thank you for your trust and for allowing us to build a sustainable future together.



Sergio Díaz-Granados
Executive President of CAF

Foreword

We are pleased to present the *2024 Sustainability Report*, marking a decade of transparency and commitment to our stakeholders.

From our beginnings in 2015, when we issued biennial reports, to the establishment of annual reports starting in 2019, guided by the rigorous methodology of the Global Reporting Initiative, we have invested coordinated and thorough efforts to offer a clear view of our development impact in the region.

Along this journey, the identification of material topics has been essential to focus our communications and align with our strategy to consolidate our role as the green bank of Latin America and the Caribbean.

We celebrate these ten years by reaffirming our commitment to a sustainable internal operation and to promote development that fosters a greener and more prosperous future for all.

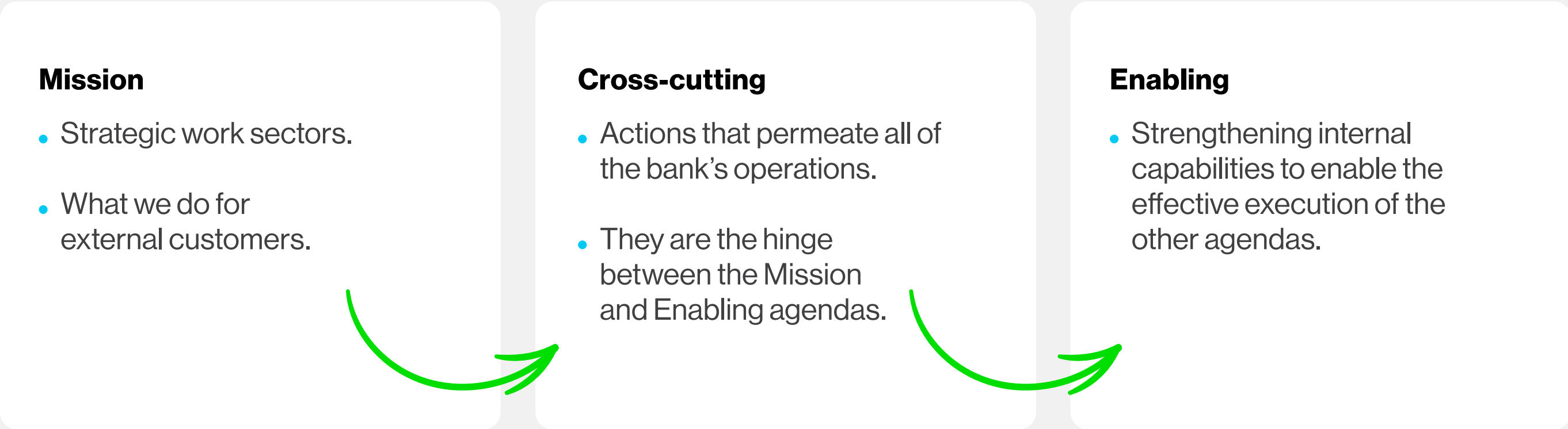


Community development project "Construyendo Sueños", Colombia

Outstanding results

CAF operates with a comprehensive vision to be the green bank and the main partner for the integration and sustainable, inclusive growth of Latin America and the Caribbean. Its mission is focused on supporting its shareholder countries in achieving sustainable development and regional integration through the provision of financial instruments and knowledge services.

CAF's institutional strategy and agendas



This structure allows for management that is aligned with its purpose, integrating approaches that respond to the current needs of its stakeholder countries and ensure long-term, sustainable impact.

CAF's management milestones for 2024



Total financing approvals

- **USD 15.79 billion** in approved financing.
- Support for the needs of Latin America and the Caribbean was consolidated.
- Commitment to sustainable development and value generation for the region.



Increase in the approval of investment programs and projects

- **51.6 %** of approvals with sovereign risk were Investment Programs and Projects.
- CAF amplified its impact in the region.



Strategic positioning

- Bahamas officially joined as a shareholder.
- Grenada began its accession process.
- **17.4 % growth in digital media positioning strategies in Latin America and the Caribbean.**

With 22 shareholder countries,

as of the end of 2024, CAF is the development bank with the largest presence in Latin America and the Caribbean. This expansion reinforces regional integration and serves more vulnerable populations, impacting Central America, with plans to expand its reach in the Caribbean.

Port of Nassau, Bahamas

Outstanding results in the mission agendas

Boosting productivity and internationalization is one of the strongest agendas in terms of investment, scope and alignment with economic growth.

The mission agenda has the largest approved amount: **USD 7.1 billion.**

- It impacts more than 14 countries and financial institutions, covering a wide regional spectrum.
- It benefits SMEs, which are key to economic development.
- It includes green and sustainable investments, aligned with global trends in responsible finance.



- Operations in the resilient territories agenda have a high social and environmental impact. In 2024, USD 3.49 billion were invested in 14 countries to improve access to water, promote sustainable cities, improve transport and support sectors such as tourism and creative economies. In this line, projects such as the financing of the cable car in Salvador de Bahía, Brazil (USD 125 million) and the Development Program in Guayas, Ecuador (USD 50 million), which contribute to improving the quality of life and resilience to the effects of climate change, stand out. In 2025, CAF will continue to strengthen the structuring of urban projects and expand the Biodivercities Network, while increasing financing and technical assistance in water security.
- The Just Energy Transition agenda is another of CAF's fundamental pillars, promoting cleaner and more sustainable energy sources. In 2024, USD 800 million were approved for this agenda, including a credit line for Enel Chile, which contributes to the reduction of emissions and the resilience of the energy sector. Looking ahead to 2025, this agenda will be reinforced based on the study "The Energy Transition in Latin America and the Caribbean", which will guide the origination of priority investments to support the energy transition process in the region.
- In terms of the resilience agenda and strategic ecosystems, the commitment to biodiversity and climate adaptation has grown significantly. In 2024, USD 627 million were approved, representing an increase of 60 % over the total approved in 2023. Among the projects highlighted is the USD 75 million Risk Management Program in Bolivia, which supports the country in mitigating the impacts of the El Niño phenomenon. By 2025, the Paris Agreement alignment methodology will be implemented and green finance mechanisms will be strengthened to support adaptation and resilience projects.
- The physical and digital infrastructure agenda remains key. USD 1.84 billion were approved in 2024, highlighting El Salvador's USD 145 million project to develop its first submarine cable, which will improve national and international connectivity and reduce costs. CAF will work on reactivating railways, expanding sustainable road infrastructure and driving digital transformation in 2025, focusing on improving connectivity and digital governance in the region.
- The inclusive social welfare agenda is critical. In 2024, USD 1.14 billion have been approved, focusing on improving health, nutrition, child care, on strengthening 21st century skills, on advancing policies for equal opportunities; and on inclusive social welfare.

Outstanding results in the mission agendas

The 'Greener Ops' agenda exceeded the green finance target, **reaching 41 %**, 6 percentage points above the year's target of 35 %.

- With this, CAF consolidates its position as the green bank of Latin America and the Caribbean, and makes steady progress towards meeting its commitment of green financing approvals by 2026.



- **Gender, diversity and inclusion agenda.** 48 % of sovereign approvals included gender, diversity and inclusion components, exceeding the target of 40 %.
- **Institutional strengthening agenda.** USD 1.56 billion were approved to strengthen the management of regional and local Governments in five Latin American countries, exceeding the target of USD 1.3 billion.
- **Knowledge agenda for business.** During 2024, 27 ex post evaluation reports were produced, seeking to reposition impact evaluation as a knowledge-generating tool and a key instrument for the design of future operations.
- **Regional integration agenda.** Various binational and multinational integration operations were approved, including gas integration studies in the MERCOSUR countries, contributing to a just energy transition in the region.
- **Resource mobilization agenda.** USD 3.62 billion were approved, including a historic USD 1 billion operation for El Salvador, focused on the conservation of the Lempa river basins.

Outstanding results in the enabling agendas

Financial soundness

CAF has consolidated the highest risk rating in its history, standing out as one of the best rated issuers in the region.

- In terms of risk management, CAF is optimizing the credit process, implementing a new methodology to assess residual risks in sovereign operations and updating tools for non-sovereign operations. In terms of ESG ratings, CAF is advancing in its strategy to improve its environmental, social and governance profile, which will strengthen its position with rating agencies.

- **Talent and organizational health.** The incorporation of gender, inclusion and diversity perspectives in CAF's Human Capital Management (HCM) and recruitment processes was institutionalized.
- **Digital transformation.** A single digital platform was implemented to ensure full traceability of Credit operations, improving efficiency and strengthening responsiveness to CAF's internal and external customers.
- **Financial instruments.** CAF developed financial solutions tailored to the specific needs of its clients, including the implementation of an extraordinary short-term credit facility, approved for up to USD 800 million for Ecuador, to strengthen its economic stability.
- **CAF's strategic positioning.** With the incorporation of the Bahamas, CAF consolidates its position as the development bank with the largest presence in the region, with 22 shareholder countries, of which 20 are from Latin America and the Caribbean, as well as Spain and Portugal.

- **Transparency and corporate governance.** Thirty-six new transparency indicators were introduced, expanding access to relevant information on the bank's activities, and in 2024, non-sovereign indicators were prioritised, reaching 29, reinforcing CAF's commitment to accountability.



Methodological note

GRI 2-3

CAF - development bank of Latin America and the Caribbean - is pleased to present our Sustainability Report for the period from 1 January to 31 December 2024; prepared with reference to the Global Reporting Initiative (GRI) standards, it complements the information in our Annual Report 2024 and the audited financial statements for the same period.

- Consult **Annual Report** CAF's.
- See CAF's **Sustainability Report 2023**.
- For more information on CAF's, consult 2024 audited annual **financial statements**.
- See CAF's **Transparency Report 2024**.

The publication of this report reinforces the Bank's commitment to transparency and accountability. In chapter 6 you will learn about the Institutional Strategy updated for the period 2026 with the objective of consolidating as the green bank for sustainable and inclusive growth in Latin America and the Caribbean. It describes the Strategic Agendas: Missional, Cross-Cutting and Enabling, as well as the main areas of action that guide its management, together with

the material issues that guide CAF's decisions and operations. The results are presented in terms of financing, including Credit operations, approved Technical co-operations and outstanding achievements for each agenda during 2024. The approved operations reflect the use of CAF's own resources and are aligned with the material issues defined as priorities for the development of this sustainability report. Many of

the operations address several of the themes and are simultaneously linked to different strategic agendas, optimising their impact on sustainable and inclusive development. Any communication, queries and requests for further information related to this report can be addressed to cafreporting@caf.com



CAF's profile

We are a development bank committed to improving the quality of life for all Latin American and Caribbean people. Our actions promote sustainable development and regional integration.

We seek to consolidate ourselves as the green, sustainable, and inclusive growth bank of the region.

We offer advice and financial support to the public and private sectors of our shareholder countries. We generate knowledge to strengthen public policies in Latin America and the Caribbean and improve the quality and impact of the projects we promote.

22 shareholder countries

- Argentina
 - Bahamas
 - Barbados
 - Bolivia
 - Brazil
 - Chile
 - Colombia
 - Costa Rica
 - Dominican Republic
 - Ecuador
 - El Salvador
- Honduras
 - Jamaica
 - Mexico
 - Panama
 - Paraguay
 - Peru
 - Portugal
 - Spain
 - Trinidad and Tobago
 - Uruguay
 - Venezuela



Contributions to development

CAF measures the development contribution of Credit operations approved throughout the year, especially investment projects and programs, corporate loans, and equity investments. Some of the main highlights in 2024 include:

Comprehensive Loans Linked to Climate and Social Goals (PIVOCS) are an innovative CAF financial instrument that supports its shareholder countries in sustainability, rewarding the fulfillment of climate and social goals with better credit conditions. Its application covers investment projects and public policies, aligning with the SDGs and the Paris Agreement, strengthening CAF's role as the region's Green Bank.

+4.2 million people
will benefit from new or improved drinking water and/or sewerage connections.

+414,000 people
will benefit from new or improved energy infrastructure.

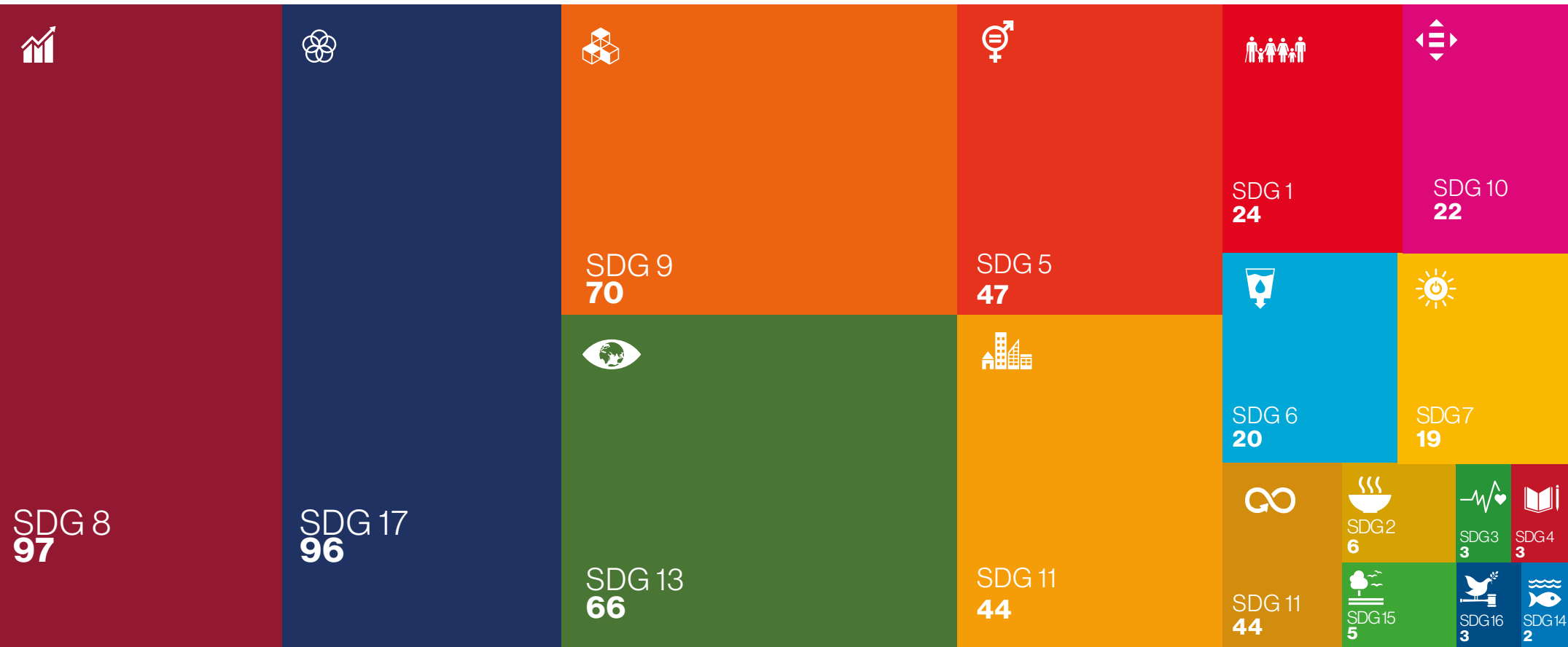
+296,000 students
will benefit from educational projects.

41 % of the total amount
of operations approved in 2024 corresponds to green financing.

+354,600 people
will have access to new or improved sustainable transportation.

Impact of approvals on the SDGs

Approvals by SDGs



SDG 8
97
operations for Decent Work and Economic Growth.

SDG 9
96
operations for Partnerships for the Goals.

SDG 17
79
operations for Industry, Innovation, and Infrastructure.

SDGs impacted by country



Operations

Total Approvals
(USD Millions)

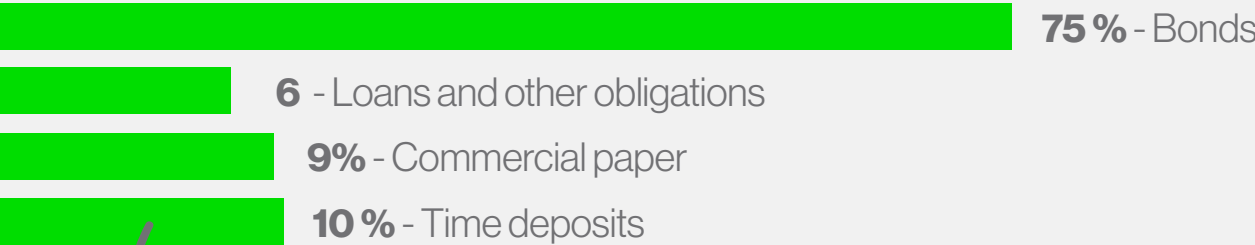


Consolidated Portfolio
(USD Millions)



USD 15.86 billion was the total amount of approvals at the end of 2024, distributed in 49 operations. The consolidated portfolio amounted to **USD 34.7 billion.**

Financing Sources



29 bonds were issued, with a total historical amount of **USD 7 billion** in various international financial markets.

Public bond issues in 2024



USD 1.75 billion



USD 326 million



USD 1.61 billion



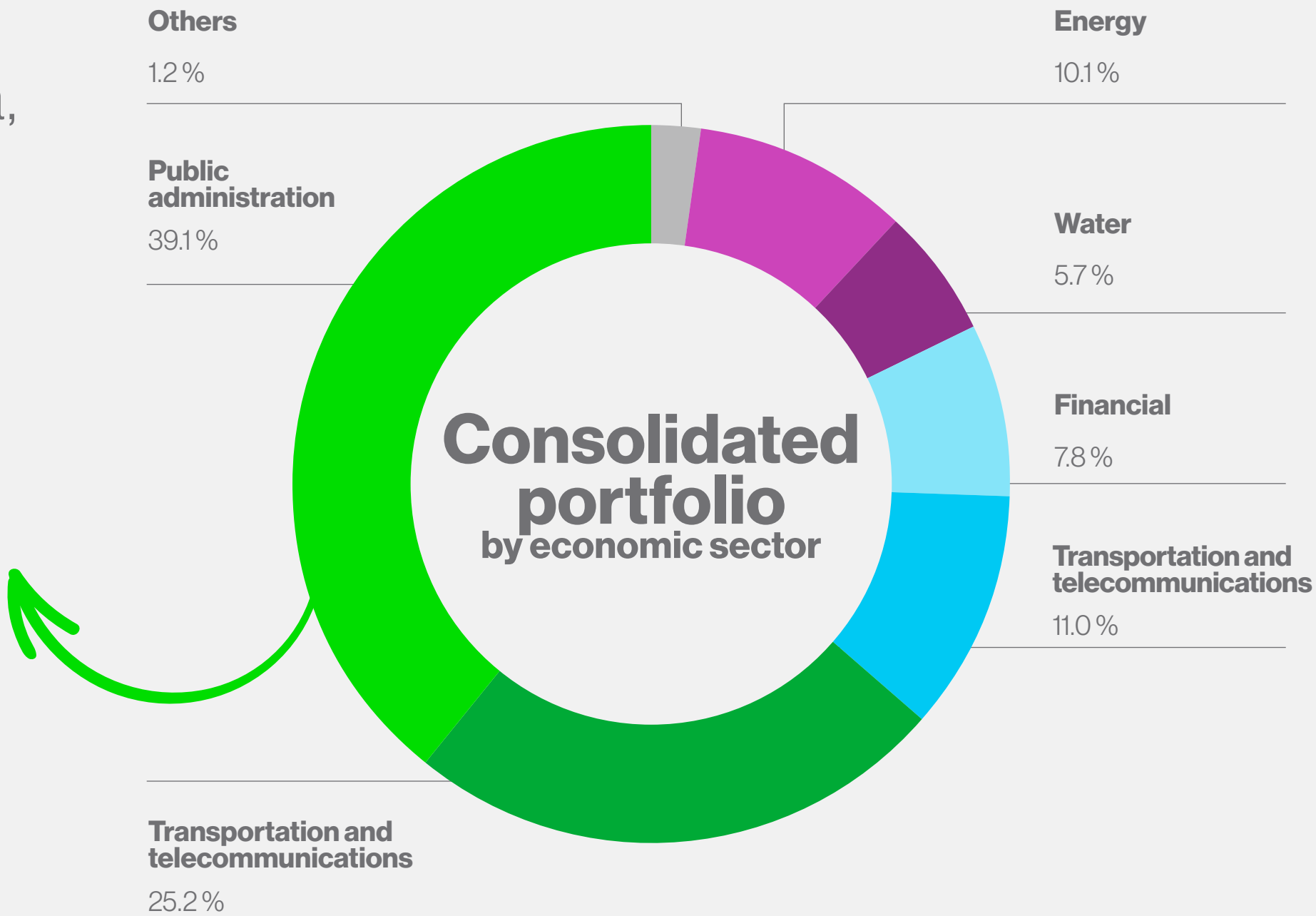
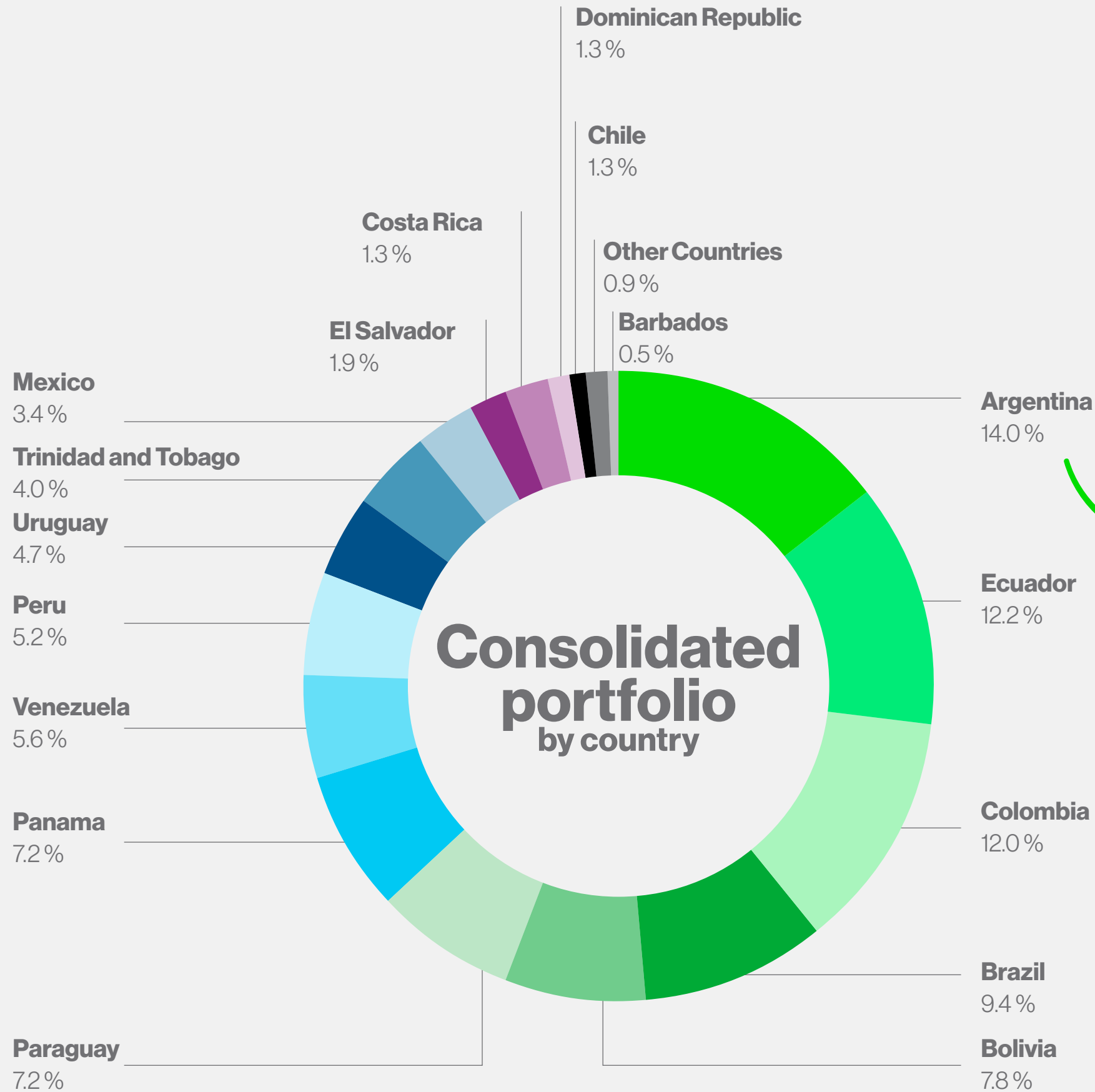
USD 215 million



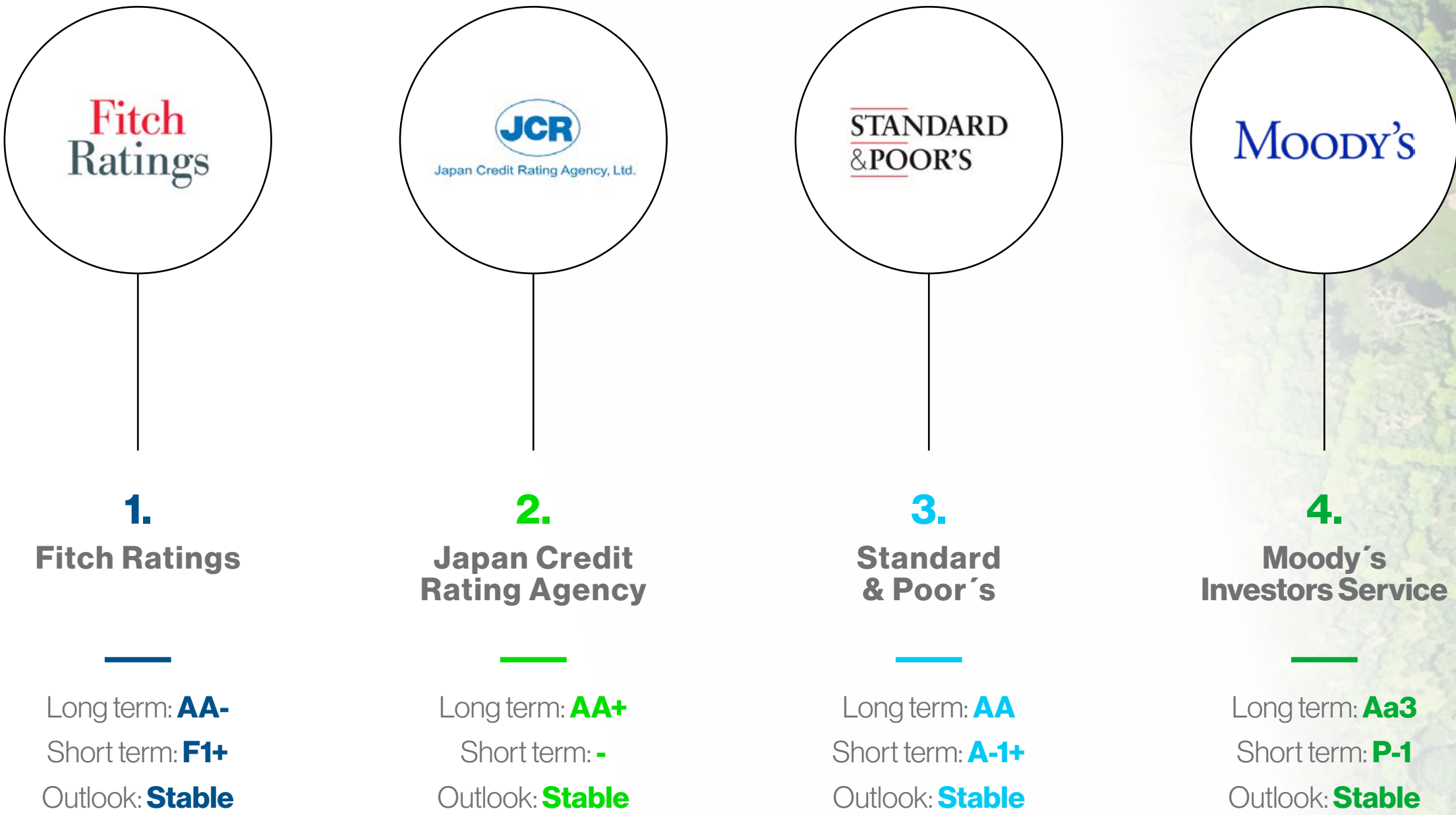
CAF launched the Sustainable Finance Framework, a strategy focused on mobilizing capital for sustainable development in Latin America and the Caribbean, aligned with the SDGs. In 2023, the institution approved **USD 2.5 billion** for sustainable projects, with an emphasis on key areas such as water and sanitation, education, and urban development. Additionally, 27 % of its operations supported environmental sustainability and 16 % promoted inclusion. This demonstrates CAF's role in fostering regional integration and developing innovative solutions to global challenges.

44 % of the consolidated portfolio is located in the southern region and **42 %** in the northern region, while **13 %** is located in Mexico, Central America, and the Caribbean.

39.1 % of the portfolio was allocated to the public administration sector, **25.2 %** to the transport and communications sector, and **11 %** to education, health, and social protection.



Risk Ratings



A historic high was reached in our credit ratings and in the perception of performance in ESG factors, placing CAF among the best issuers in the region.

Rural landscape, Latin America and the Caribbean

Financial education and inclusion

1

FINANCIAL INCLUSION LABORATORY (LIF – 2024)

Supports innovative projects with technology to reduce financial inclusion gaps in vulnerable groups and MSMEs.

In its sixth edition, focused on digital solutions based on artificial intelligence for financial inclusion in Latin America and the Caribbean.

Participation: 219 applications, 93 proposals evaluated, 8 winners supported.

Estimated impact: more than 31,000 excluded or underserved people and 8,190 MSMEs benefited.

See more at: CAF Financial Inclusion Laboratory 2024.

2

FINANCIAL EDUCATION

Uruguay: CAF consolidated financial education in the national curriculum, ensuring its sustainability after the Teacher Training Program (Procad). An estimated 600,000 students will benefit.

México: CAF supported the Ministry of Finance in the development of a digital repository for financial education and an e-learning platform with fun content for students and tools for educators. It is estimated to reach more than 19 million students between 6 and 16 years old.

3

KNOWLEDGE GENERATION

Financial capabilities surveys: CAF has conducted measurements in 11 countries in the region to diagnose financial behaviors and skills, supporting the design of public policies (see more).

Chile - Financial capabilities survey in MSMEs: it will allow for the design of better policies for 1.2 million MSMEs in the country. (see more).

MOOCs and diplomas: CAF launched the Financial Education MOOC and the Financial Inclusion MOOC. In addition, the Diploma in Financial Inclusion (fifth edition) was held.

4

GENDER APPROACH

Model Law on Financial Inclusion: development of a law to reduce gender gaps in access to financial services in the region.

Ecuador - SEPS: support in the design of statistics and a gender approach in the popular and solidarity economy, benefiting 3.6 million women.

Bolivia - BDP: update of the financial inclusion strategy with a gender approach, benefiting more than 38,000 MSMEs run by women.

Panama - Banco Caja de Ahorros (2024): creation of financial products with a gender approach, benefiting more than 560,000 women.

Gender Equality Seal for Public Financial Institutions in conjunction with UNDP. this program promotes institutional transformation, as well as the development of financial products with a gender perspective. This program is expected to contribute to the financial well-being of more than 510,000 women associated with the banks that participated in the project.

Impact indicators

People benefited by financial inclusion projects:

7,754,967

MSMEs benefited by financial inclusion projects:

55,024

Women benefited by financial inclusion and education projects with a gender focus:

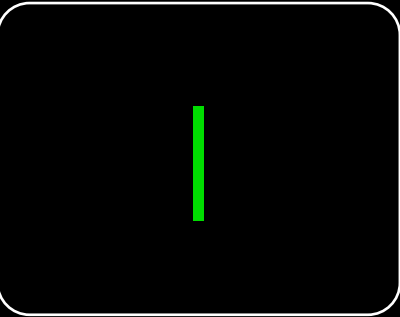
1,109,802

People benefited by financial education projects:

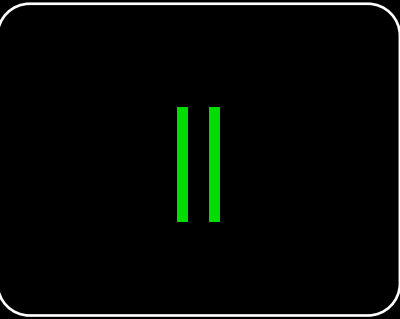
19,163,278

Community development projects with women's inclusion, Timbiquí, Colombia

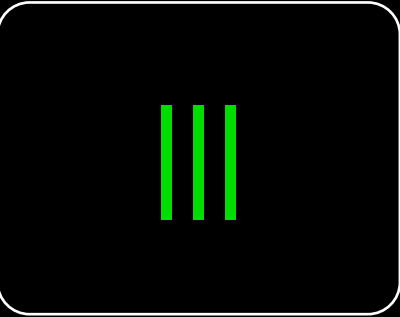
Featured projects



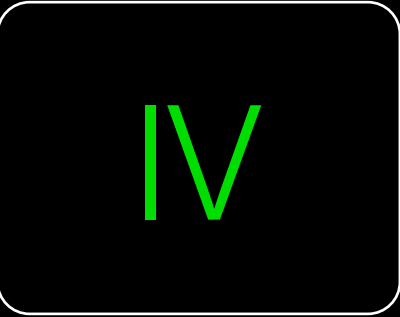
Ecuador - Superintendency of Banks: development and implementation of the new Financial Education Standard 1 (NEF) with a gender and behavioral economics approach. It will benefit more than 9 million financial consumers, with a special impact on Ecuadorian women.



Ecuador – SEPS: strengthening the regulatory framework of the Superintendency of the Popular and Solidarity Economy (SEPS) to update the financial education standard and incorporate impact measurement. It is estimated that it will benefit 39 supervised entities, 16,261 EP&S entities, and more than 6 million Ecuadorians.



Peru: support to the Ministry of Economy and Finance in the design of a system for monitoring, following, and evaluating the National Financial Inclusion Policy (PNIF) and its Multisectoral Strategic Plan (PEM).



Paraguay (2024): CAF collaborates with the Ministry of Economy and Finance in updating the National Financial Inclusion Strategy (ENIF), after having supported its design and implementation in previous years.

Multinational presence and operations

During 2024, amid high volatility in the financial markets, CAF reaffirmed its role as an important provider of financing to Latin America and the Caribbean.



Material Topics

Institutional strengthening

Just energy transition

Regional integration

Physical and digital infrastructure

Inclusive social well-being

Greener operations

Climate-resilient territories

Biodiversity and ecosystem services

Inclusion, diversity and gender

Multinational presence and operations

Material topics

- Institutional strengthening
- Inclusive social well-being
- Climate-resilient territories
- Just energy transition
- Greener operations
- Biodiversity and ecosystem services
- Regional integration
- Physical and digital infrastructure
- Inclusion, diversity and gender

12

MÉXICO

1,101 approvals



16

HONDURAS

352 approvals



13

EL SALVADOR

792 approvals



17

JAMAICA

1 approval



14

COSTA RICA

16 approvals



18

DOMINICAN REPUBLIC

578 approvals



15

PANAMA

684 approvals



19

BARBADOS

76 approvals



PORTUGAL

1 technical cooperation



SPAIN

151 approvals



BAHAMAS

Entry as a shareholder

Stakeholder engagement

GRI 2-29

The close and permanent relationship with our stakeholders allows us to develop capacities in strategic areas and initiatives at regional level. In this way, we also make functional the mechanisms and instruments to promote our institutional strategy in an integral way for sustainable development.

Working together with our strategic partners and stakeholders creates the synergies needed to increase impact and mobilize more resources for our operations. In this regard, it is particularly important to continue strengthening the different communication mechanisms with each of these groups, in the framework of the fulfilment of our institutional strategy.

Stakeholders and their communication mechanism

Shareholders

- Shareholders' Assembly Meeting
- Board Meeting
- Audit Committee Meeting



Clients

- Website
- Digital media and social networks
- Media
- Email
- Forums
- Congresses



Suppliers

- Requests for proposals
- Requests for information (RFI)
- Private tenders
- Satisfaction survey



Officials

- Platforms, publications, and internal disclosure systems
- Emails
- Internal communication strategies by project
- Human Capital Management Committee
- Internal structures for job evaluation, promotions, and performance evaluation



Strategic allies

- Participation in meetings of multilateral institutions
- Inter-institutional agreements
- High-level global forums
- Work plans with allies
- Meetings and workshops



Society

- Website and other digital media (social networks)
- Electronic newsletters aimed at segmented databases
- Media
- Environmental and Social Complaints Mechanism - MRAS



Materiality analysis

GRI 3-1, GRI 3-2, GRI 3-3

Our aim to contribute to sustainable development in the territories of our shareholder countries has allowed us to grow, expand and increase our potential to make a positive impact through our operations.

CAF's materiality constitutes the pillar on which its Corporate Strategy is articulated with a view to 2026, making it possible to align efforts to consolidate itself as the green bank and the bank for sustainable and inclusive growth in Latin America and the Caribbean.

CAF has reinforced its focus on materiality by strengthening the monitoring and follow-up mechanisms of the Corporate Strategy. This through a comprehensive approach that combines strategic indicators with qualitative assessment of progress, enabling constant monitoring of key initiatives.

Furthermore, in order to ensure that materiality guides actions at all organizational levels, strategies have been developed to improve communication and ownership of material issues within the institution.

This structured approach makes it possible to integrate the information obtained into institutional management, facilitating informed decision-making and promoting strategic alignment at all levels. In this way, CAF intensifies its efforts to accelerate the fulfilment of the commitments made since 2022, expand its impact in the region and consolidate its position as a key player in the search for sustainable solutions to global challenges.

Based on the *2023 Sustainability Report*, 13 strategic lines of action have been identified and prioritised, reflecting the most relevant material issues for the region and its shareholder countries. These lines of action not only guide the institution's operations and investments, but are also integrated into the Strategic Agendas and their associated Initiatives, ensuring a structured management, aligned with its institutional mission and vision.



CAF's material topics for this report in the framework of the institutional strategy

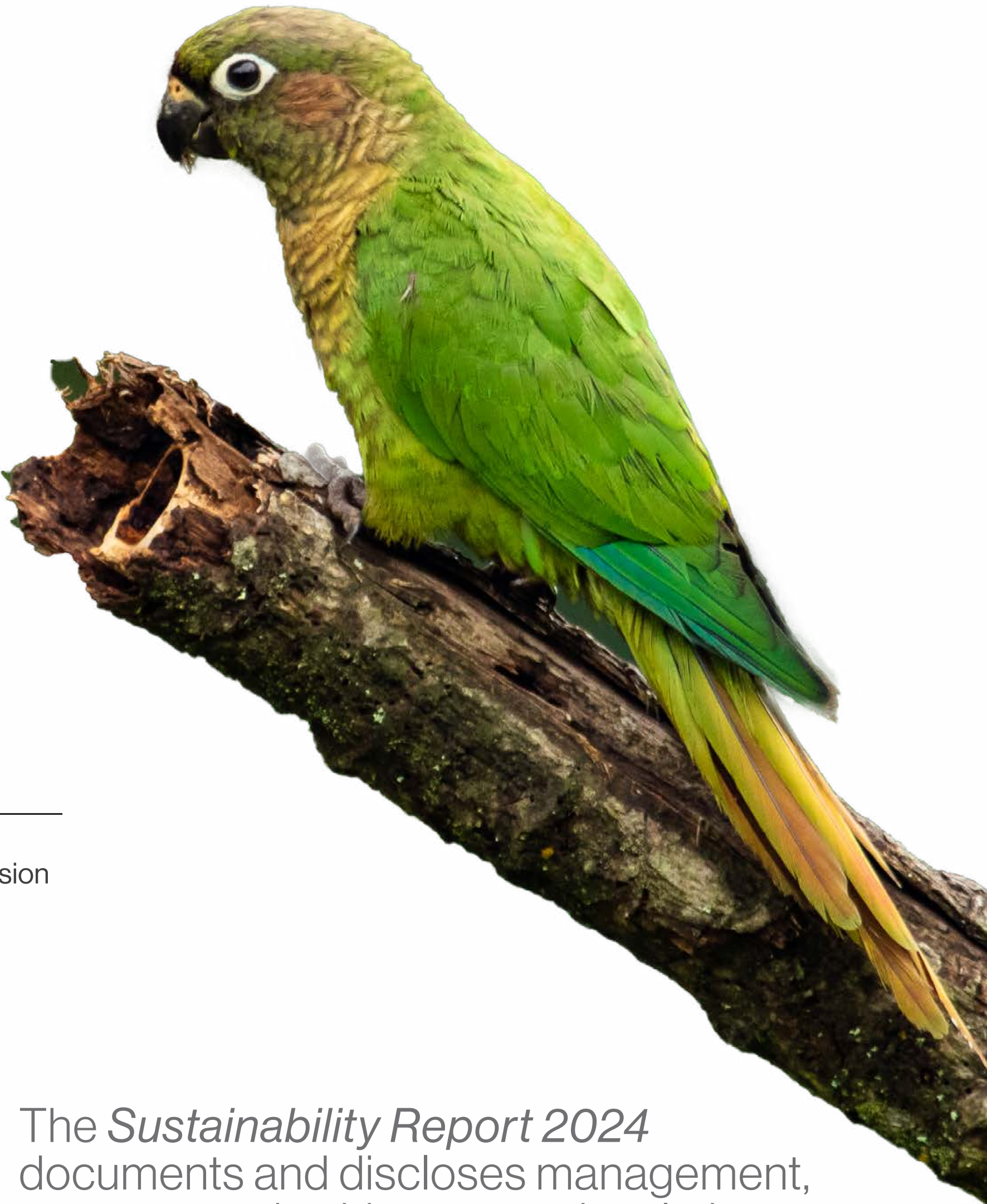
						
Talent and organizational health	Transparency and good corporate governance	Solvency and financial sustainability	Digital transformation	Physical and digital infrastructure	Biodiversity and ecosystem services	
						
Just energy transition	Climate change resilient territories	Inclusive social welfare	Regional integration	Institutional strengthening	Greener operations	Gender, inclusion and diversity

To operationalize the management of material issues and ensure measurable benefit in their implementation, each of these issues includes initiatives with specific actions and measurable objectives, which are integrated into the institutional strategy agendas, covering both the public (sovereign) and private (non-sovereign) sectors.

This includes mobilizing resources from international markets to the region through financial intermediation, boosting investment. In addition, it offers financial expertise, products and services to a diverse portfolio of clients, including shareholder countries, private companies and financial institutions.



The *Sustainability Report 2024* documents and discloses management, progress and achievements in relation to material issues, highlighting their contribution to sustainable development.



Materiality management

To adequately identify and address the positive and negative impacts of CAF's operations and material issues, **policy frameworks, spaces and processes that ensure an environmentally and socially responsible approach are continuously developed and improved.**



In this regard, as part of the management of materiality, the commitment to transparency was ratified through the **Policy on Access to Information and Institutional Transparency (PAITI)**. Within this framework, the **Environmental and Social Complaints Mechanism (MRAS)** MRAS was established to comprehensively manage the environmental and social risks associated with operations, allowing the reception, attention and management of complaints related to negative impacts on people or the environment.

All approved operations are linked to the Sustainable Development Goals (SDGs), generating key information to measure the social contribution of the resources and efforts invested in the management of material issues.

More information on these mechanisms and instruments for managing risks, opportunities and positive and negative impacts can be found in the Transparency and Corporate Governance chapter of this report.

Corporate strategy

GRI 2-6



The updating of the institutional strategy, with a view to 2026, is a milestone for CAF.

CAF's Corporate Strategy, with a view to 2026, is the result of a comprehensive and participatory process that brought together three essential pillars: the development priorities identified by shareholder countries; the structural challenges for the development of Latin America and the Caribbean; and the technical experience of CAF's team, with more than **fifty years of work in the region**. This is the first multi-year strategy approved by the Board of Directors, which accompanies the most important capitalization process in the history of the institution and reflects the confidence of shareholders in the positive impact of CAF and its interventions. It also focuses its efforts on strengthening support to member countries to improve the quality of life, boost productivity and protect the environment.

Consequently, **CAF -development bank of Latin America and the Caribbean-** focuses its efforts on becoming the green bank and the bank for sustainable and inclusive growth in the region.

This Strategy developed a clear and structured vision for 2026, which assigns responsibilities, determines lines of action, and defines metrics that allow us to monitor on an ongoing basis.

For the implementation and execution of this strategy, **18 strategic** initiatives were defined aligned with the institution's vision and based on more than half a century of work. These initiatives are structured into three levels of agendas: missional, transversal and enabling.

The mission agendas respond to CAF's strategic vision and *raison d'être* for external clients. This is what we do as a development bank, in a series of sectors or themes in which we work to fulfil our corporate strategy. Within this framework, key initiatives in strategic sectors have been prioritized.

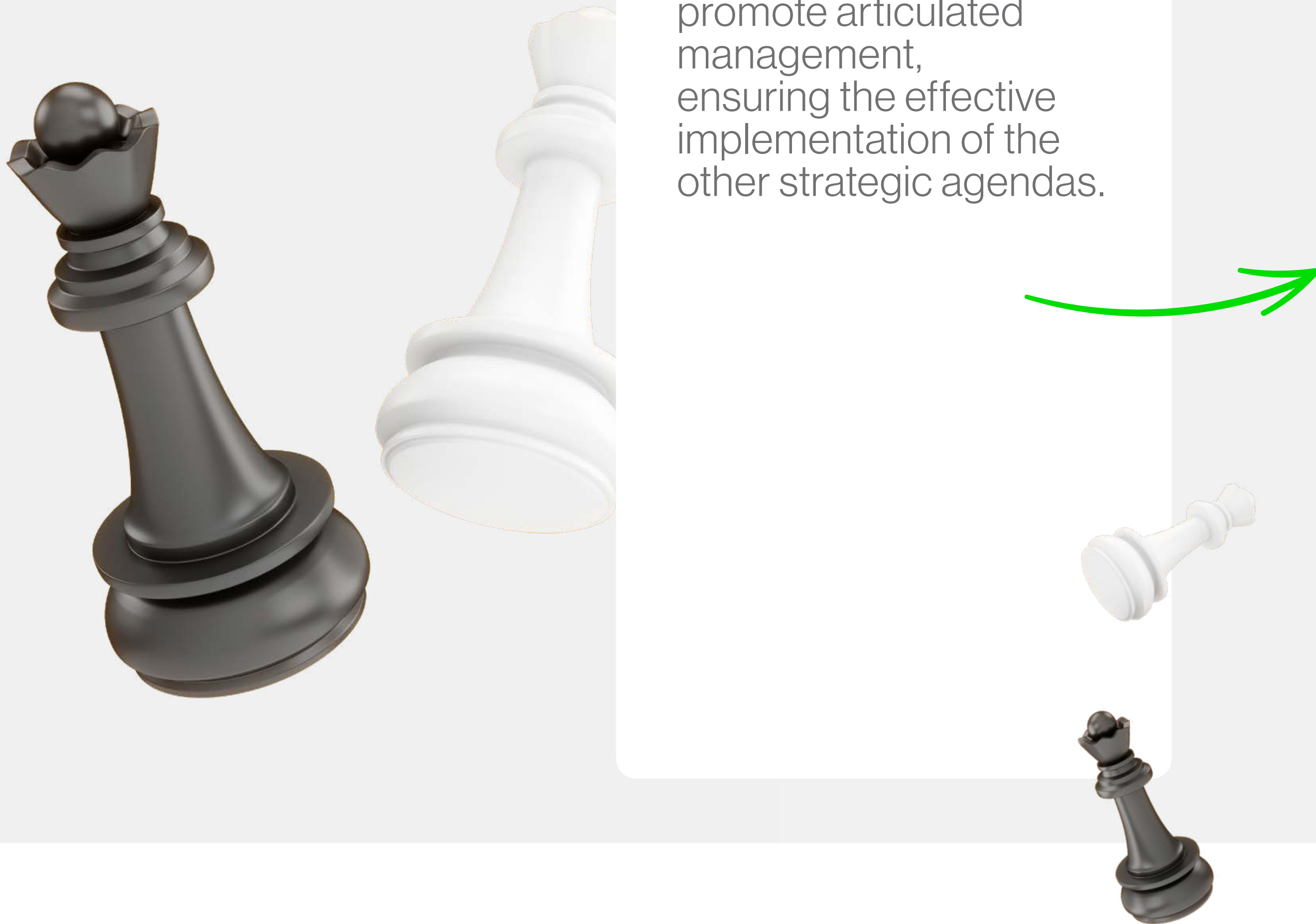
- Just energy transition. Boosting the use of clean energy, tackling climate change and ensuring social and labour justice.
- Resilience and strategic ecosystems. Fund projects that integrate the conservation and sustainable use of biodiversity with the promotion of sustainable and agro-ecological agricultural practices, enhancing resilient ecosystems as drivers of development.
- Resilient territories. Promote more inclusive, innovative and sustainable territories, increasing resilience and improving the quality of life in large and medium-sized cities.
- Inclusive social welfare: Supporting countries in implementing actions that contribute to equal opportunities and improved health, nutrition and education for all people.
- Sustainable physical and digital infrastructure. Improve regional physical and digital competitiveness and connectivity of people and markets.
- Productivity and internationalization. Enhance the sustainable development of the entrepreneurial capital ecosystem in the region and encourage the participation of the private sector through financial partners and debt and investment funds.



Cross-cutting agendas concentrate those components that permeate all the organization's work. They act as a hinge between what we do for our clients (mission agendas) and our internal actions (enabling agendas). These agendas are fundamental for the consolidation of CAF as a green bank and a bank for sustainable and inclusive growth in the region.

Within this framework, a number of strategic actions have been institutionalized, such as:

- A greener operation. Identify early opportunities to maximize environmental and climate benefits across its operations, and within the organization.
- Knowledge for business. Increase the transparency of the organization, improving the quality of CAF's operations, through lessons learned and good practices in the region.
- Institutional strengthening. Support capacity building, increased resource mobilization and access to knowledge for regional and local Governments and their public enterprises.
- Inclusion, diversity and gender equality. Contribute to closing the gaps that hinder gender equality, the recognition of ethnic and racial diversity and the inclusion of people with disabilities, with the aim of making economic and social reactivation available to all people.
- Regional integration. Support the construction of sustainable comprehensive infrastructure for physical and functional integration, trade facilitation and the progress of border populations, with a high contribution to sustainable development.
- Partnerships and resource mobilization. Expand and strengthen the recruitment of new partners and maximize resource mobilization from third parties.



These initiatives **help to eliminate isolated approaches** and promote articulated management, ensuring the effective implementation of the other strategic agendas.

The enabling agendas are the heart of the strategy and correspond to the internal elements that must be strengthened to enable the effective implementation of the mission and cross-cutting agendas. The initiatives that make up this agenda are:

- Financial sustainability. Ensuring the financial soundness of the institution, which in turn contributes to the reduction of CAF's financing costs.
- Talent and organizational health. Strengthen the identity and culture to reinforce the sense of belonging of the employees, building up the organization's capabilities.
- Digital transformation. Implement digital solutions to modernize and automate the credit business and customer relations.
- CAF's strategic positioning. Continue to work on positioning CAF as a benchmark continental bank in the region, through the incorporation of new countries in Latin America and the Caribbean to the institution.
- Transparency and good corporate governance. Continue to make progress in improving the standardization and automation of reliable and quality information.
- Innovative financial instruments. Incorporate instruments that drive sustainable growth, respond to countries' needs and address global environmental objectives.

These elements are essential to ensure the efficiency, resilience and sustainability of the institution.

Mission agendas

10 initiatives

A

A1

Fair energy transaction

A1.a Promoting a just energy transition

A2

Resilience and strategic ecosystems

A2a. Promoting adaptation, climate resilience and the ecosystem approach

A3

Resilient territories

A3a. Promote water security
A3b. Developing urban and mobility systems, creative economies and tourism

A4

Inclusive social welfare

A4a. Improving child health, nutrition and care
A4b. Strengthening 21st century skills
A4c. Promoting equal opportunity policies

A5

Physical and digital infrastructure

A5a. Promoting physical connectivity and digital transformation

A6

Productivity and internationalization

A6a. Strengthening the non-sovereign portfolio
A6b. Strengthening CAF-AM's positioning

Cross-Cutting agendas

6 initiatives

B

B1

A greener operation

B1a. Implement greener operations

B2

Knowledge for the business

B2a. Enhance the alignment of Technical co-operations with Credit operations

B3

Institutional strengthening

B3a. Strengthening regional and local Governments

B4

Inclusion, diversity and gender

B4a. Transversalize the perspective of gender, inclusion and diversity

B5

Regional integration

B5a. Promote multinational and binational projects and integration

B6

Partnerships, resource mobilization and management

B6a. Expand partnerships and mobilize more resources

Enabling agendas

8 initiatives

C

C1

Financial sustainability

C1a. Consolidating solvency, financial sustainability and ESG
C1b. Optimizing the balance sheet

C2

Talent and organizational health

C2a. Empowering internal talent

C3

Digital transformation

C3a. Increased efficiency from artificial intelligence-based solutions

C4

Strategic positioning of CAF

C4a. Consolidate CAF's geographic presence
C4b. Positioning CAF as a benchmark in the region

C5

Transparency and good corporate governance

C5a. Deepening institutional transparency

C6

Innovative financial instruments

C6a. Implement innovative financial instruments and solutions

Responsible transformation: impact on the sustainable development goals

Linking to SDGs and CAF impact initiative

CAF links all its approved operations with a direct contribution to the Sustainable Development Goals (SDGs), seeking to generate information that allows it to measure the contribution to people of the economic resources and efforts invested in the different initiatives.

➤ Thus, the **CAF Impact** initiative has been developed, which measures the impact of the work through a systematic effort based on available scientific evidence, in order to show in a simple and human way the extent of the contributions. This allows to understand how the contribution to improve the quality of life of the population in the region is enhanced.

In 2024, commitment as a catalyst for sustainable development in Latin America and the Caribbean was reaffirmed, aligning its management with the 2030 Agenda and focusing its efforts on generating a real and positive impact on the SDGs. Through the mission, cross-cutting and enabling agendas, resources have been mobilized and key actions have been implemented that directly contribute to the following SDGs:



Strategic outcomes and their relationship to the SDGs



Approval of resources and productive strengthening (SDGs 8, 9 and 13)

In 2024, USD 15.79 billion were approved, reaffirming the commitment to the needs of the region. Of this total, USD 7.1 billion were allocated to over 14 countries and regional institutions for the purposes of:

- strengthening the entrepreneurial capital ecosystem.
- facilitating access to finance for SMEs.
- promoting green and sustainable investments.

These actions contribute directly to the SDGs by driving inclusive economic growth (SDG 8), fostering innovation (SDG 9) and contributing to the fight against climate change (SDG 13).



Resilient territories (SDGs 6, 11 and 13)

USD 3.49 billion were approved for initiatives to strengthen water security, develop sustainable urban systems, improve mobility, and promote tourism and creative economies. Thanks to these investments:

- more equitable access to water was ensured (SDG 6).
- building more inclusive and resilient cities was supported (SDG 11).
- sustainable territories were promoted to mitigate the effects of climate change (SDG 13).



Physical and digital infrastructure (SDGs 9 and 11)

Recognizing the importance of closing infrastructure gaps, USD 1.84 billion were approved for sustainable road, logistics and digital transformation projects in 9 countries. This helps build more resilient infrastructure (SDG 9) and improves regional connectivity (SDG 11).



Gender, inclusion and diversity (SDGs 5, 10 and 17)

This year, 48 % of sovereign approvals included gender, inclusion and diversity components, exceeding the target of 40 %. These results reinforce the commitment to gender equality (SDG 5), reducing inequalities (SDG 10) and strategic partnerships (SDG 17).



Resource mobilization and conservation (SDGs 6, 13 and 17)

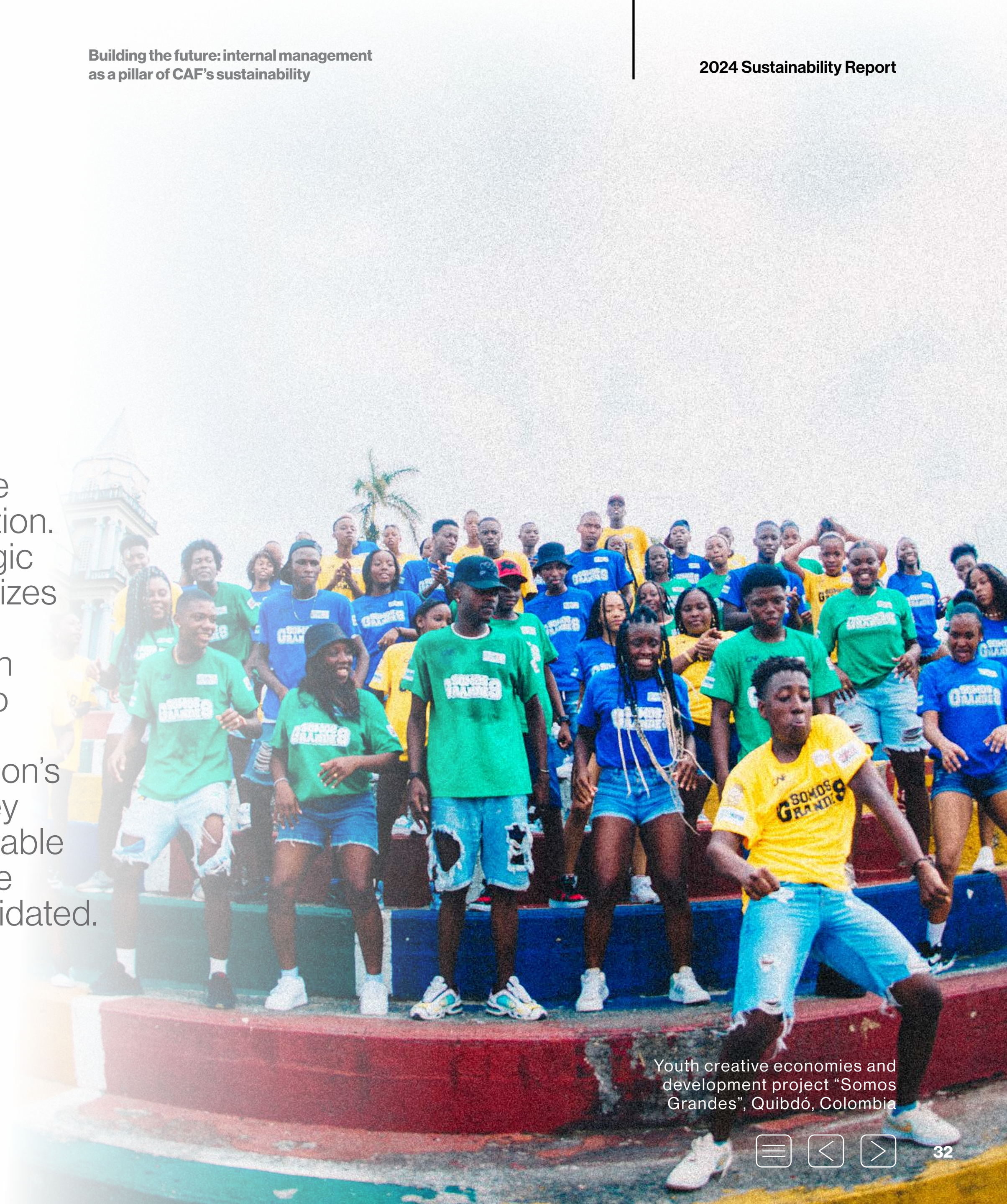
USD 3.62 billion were mobilized, including a USD 1 billion operation in El Salvador for the conservation of the Lempa river watersheds. This initiative strengthened partnerships (SDG 17), promoted responsible water management (SDG 6) and tackled climate change (SDG 13).



Transparency and financial innovation (SDG 16 and 17)

Transparency was prioritised with the incorporation of 36 new indicators, with an emphasis on non-sovereign operations. In addition, a fee compensation mechanism based on climate co-benefits was designed and the first Extraordinary Liquidity Facility was issued, reaffirming the commitment to innovation in financial instruments (SDG 9 and 17).

CAF reaffirms its commitment to the impact of each action. Through its strategic agendas, it maximizes the impact on the prioritized SDGs. In 2024, in addition to achieving tangible results, the institution's positioning as a key partner for sustainable development in the region was consolidated.



Youth creative economies and development project “Somos Grandes”, Quibdó, Colombia

Partnerships and resource mobilization

Implementation and results of the resource mobilization strategy 2024

Maximizing impact and value creation in operations requires the support of multiple partners to mobilize financial and non-financial resources in the region. Through these partnerships, it is possible to diversify funding sources, transfer knowledge and best practices, and generate more favorable conditions for shareholder countries.

In this context, the focus has been on maximizing the amounts mobilized and improving efficiency in resource mobilization, aligning with three key pillars for 2024:



The designation of mobilization focal points in the business areas.



Structured access to CAF's operations inventory to identify and monitor projects with potential for mobilizing resources provided by operations.



Automation of the mobilization database.

Thanks to the implementation of these pillars, USD 3.62 billion were mobilized in 2024, with significant progress in:

Co-financing of sovereign risk operations, reaching a total of **USD 760 million**.

CAF guarantee and DFC political risk insurance, attracting investment for water conservation and sustainable development, for **USD 1 billion** to support El Salvador in the repurchase of its bonds.

Strengthening of Technical co-operations, with the approval of 21 operations for **USD 17.5 million**, representing a 146 % growth compared to 2023.

Expansion of financing for the non-sovereign sector, with resources mobilized for **USD 1.34 billion**.

Disbursements of thematic credit lines with allies for **USD 432 million**, promoting the financing of strategic projects in the region.

Promotion of sustainable initiatives through Green Funds, with a total mobilization of **USD 72.3 million**.

Impacts and partnerships arising from the resource mobilization initiative

GRI 2-28

The implementation of the 2024 resource mobilization initiative drove significant transformations both internally and externally, consolidating strategic partnerships and broadening the scope of funding available to the region.



Internal strengthening

Optimization in the identification and execution of operations strengthened resource mobilization, reaching historic figures in 2024. Among the main achievements were: **USD 432 million** in credit line disbursements and a 146 % increase in Technical co-operations compared to 2023.

These advances in Technical co-operations were possible thanks to collaboration with key entities such as the Infrastructure Development Cooperation Facility (IDCF), the European Commission, the Knowledge Sharing Program (KSP), the OPEC Fund and the French Development Agency (AFD). We affirm that the increase in credit lines was due to the long and strong relationship that CAF has with relevant partners for the region, such as the development banks of Germany (KfW), Italy (CDP) and Spain (ICO), and Japan (JBIC).

Expansion of external partnerships

The consolidation of the strategic pillars favoured the incorporation of new allies and the strengthening of relationships with key partners. Among the most noteworthy developments were:

- the incorporation of the MCDF as a Technical co-operations partner, with **USD 13.4 million** mobilized through 12 projects.
- the strengthening of cooperation with FONPLATA, with the mobilization of **USD 250 million** in two projects.
- the consolidation of partnerships with the OPEC Fund for International Development, with **USD 200 million** mobilized, and the Central American Bank for Economic Integration (CABEI), with **USD 245 million**.

Signing of new agreements

In 2024, strategic alliances were established with international players such as the Abu Dhabi Fund for Development, the Saudi Exim Bank, FONPLATA and the La Caixa Foundation. In addition, the agreement with the OPEC Fund was renewed for **USD 1 billion** to co-finance projects in the region over the next three years, and the Green IV credit line was signed with JBIC of Japan for **USD 100 million**.

Milestones, challenges and projections for resource mobilization

The strengthening of internal collaborative processes to manage key information on ongoing projects enabled the rapid identification of initiatives with the greatest potential for resource mobilization, whether through co-financing, credit lines or Technical co-operations, thus optimizing coordination and the use of available resources.

Another important milestone was the implementation of a regularly updated inventory of operations, which facilitated constant monitoring of their progress to assess their evolution, prioritizing those

with the greatest capacity to mobilize funds, ensuring a more efficient and targeted approach to their allocation.

By 2025, these processes are expected to continue improving, with the objective of ensuring that the most strategic projects receive the necessary support, generating a greater impact on resource mobilization. In addition, the resource mobilization methodology is expected to consolidate in 2025 and establish an incentive scheme in CAF to further boost mobilization with partners.

Risks, opportunities and future prospects
Greener operations
Institutional strengthening
Gender, inclusion and diversity
Regional integration

Holistic transformation: sustainability criteria at every step of our operations

Biomuseum on the Amador Causeway, Panama

Risks, opportunities and future prospects
Greener operations
Institutional strengthening
Gender, inclusion and diversity
Regional integration



In a global context where sustainability has positioned itself as both an ethical and strategic imperative, CAF is committed to integrating responsible practices and positive impact in each of its processes and decisions. In this sense, the bank has formulated four key transversal agendas that guide the path towards more sustainable and equitable investments: Greener Operations; Institutional Strengthening; Gender, Inclusion and Diversity; and Regional Integration; ensuring that sustainability is not an isolated effort, but a guiding principle that permeates all activities.

Intercultural health project, Ecuador

Risks, opportunities and future prospects

- Greener operations
- Institutional strengthening
- Gender, inclusion and diversity
- Regional integration

Risks, opportunities and future prospects

GRI 3-3

Risks and opportunities

CAF faces both risks and opportunities in integrating sustainability into its operations. A key challenge is to adopt sustainability criteria throughout the value chain, especially in an increasingly regulated world. Having appropriate indicators to measure the impact of initiatives is a focus of the bank's continuous improvement.

The global focus on environmental, social and governance factors has allowed CAF to stand out in the capital market as a development bank committed to these principles. By offering green finance, CAF increases operational and regional resilience in the face of global challenges such as climate change and economic crises. Thus, its ability to manage risks and take advantage of opportunities strengthens its position in the market and generates a positive and lasting impact in the region, in line with the Sustainable Development Goals.

Future perspectives

CAF will continue to create financial products and services that support sustainability in a changing economic and regulatory environment, listening to its stakeholders, committed to developing internal skills in financial innovation and strengthening technologies to measure and monitor the environmental and social impact of projects. By managing these challenges CAF continues to consolidate its position as a leader in green finance in Latin America and the Caribbean, contributing to a more inclusive and sustainable future in the region.

Risks, opportunities and future prospects

Greener operations

Institutional strengthening

Gender, inclusion and diversity

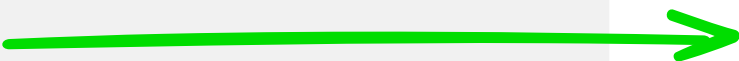
Regional integration

Greener operations

GRI 2-25, GRI 3-3

The Institutional Strategy seeks to consolidate CAF as a green bank and leader in sustainable and inclusive growth in Latin America and the Caribbean. It promotes the increase in green operations, integrating this approach into its mission and maximizing environmental and climate benefits. It also supports shareholder countries in fulfilling their environmental commitments and supports initiatives that mainstream green aspects in sectors such as health, education, energy, transport, access to drinking water and sanitation, among others.

Commitments on green finance, covering aspects such as climate change mitigation, adaptation, disaster risk management and biodiversity conservation, have guided CAF's actions in a work plan focused on fostering more sustainable operations.



In particular, it highlights its commitment to make 40 % of its total financing green by 2026, understood as financing aimed at climate action, biodiversity and other environmental benefits. Ahead of this goal, 41 % of CAF's financing in 2024 was green and 68 % of operations had green content, which lays the groundwork to consolidate this figure and build on it with a portfolio that prioritizes sustainability.

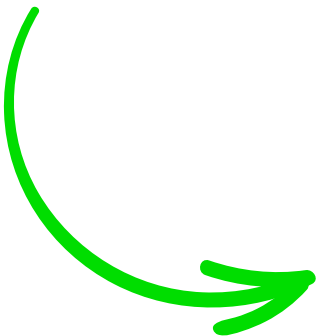
It is important to note that CAF, as a member of the International Development Finance Club (IDFC), calculates its green finance based on the Green Finance Mapping methodology, aligned with the common principles for tracking climate change mitigation and adaptation finance agreed between multilateral development banks and the IDFC.

In turn, public policies in the region, aligned with climate and environmental commitments, have facilitated the creation of green operations in the framework of a just transition. These actions include the development of national green taxonomies, the construction of resilient infrastructures, the promotion of clean energy, sustainable mobility and the implementation of other sectoral measures such as telemedicine in the health sector.

The Paris Agreement mandates the mobilization of financial flows for sustainable, climate-resilient and low-emission development. During the 35th Green Climate Fund (GCF) Board Meeting in Songdo, Korea in 2023, it was announced that, from 2026, CAF's new operations will be aligned with the Paris Agreement, applying methodologies in

line with those established by the development finance community. During 2024, CAF has carried out diagnostics and advanced methodologically to fulfil its roadmap and achieve this commitment.

In this way, advances in green finance and the incorporation of the precepts and methodologies of the **Paris Agreement** generate synergy with the fulfilment of various CAF commitments such as:



COP 28
CMNUCC Dubai. Investment of **USD 15 billion** by 2030 for adaptation and disaster risk management.

COP 28
CMNUCC Dubai. Investment of **USD 2 billion** by 2030 to protect the Amazon.

COP 16
CDB Cali. Achieve **10 %** biodiversity financing by 2030.

Risks, opportunities and future prospects

Greener operations

Institutional strengthening

Gender, inclusion and diversity

Regional integration

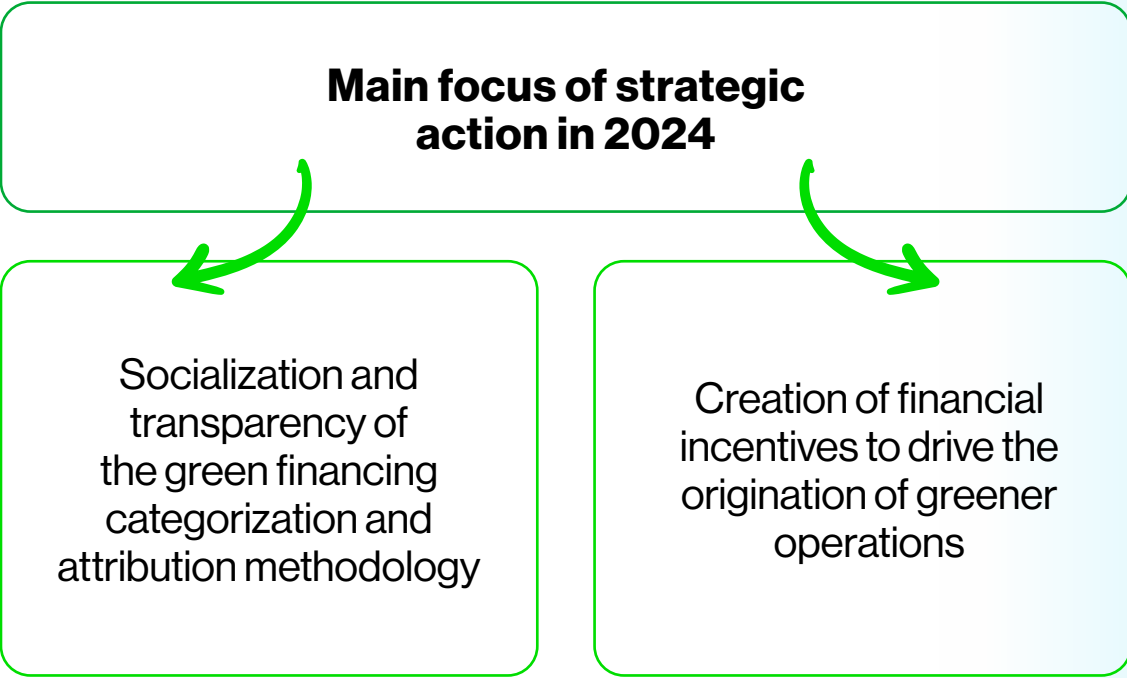
The commitment to the green transition is reflected in meeting the target adopted in 2021, which aims to ensure that **at least 40 % of approvals by 2026 contribute to climate change mitigation and adaptation, as well as biodiversity and environmental conservation.**

New alliances are now being established with key partners to mobilize financial resources to support Latin American and Caribbean countries facing the most significant effects of climate change and biodiversity loss.

Through collaboration with the GCF, the transition to low-emission and climate-resilient economies will be boosted, by promoting innovative solutions in various sectors such as:

- The use of renewable energies.
- Agriculture.
- Electric mobility.
- New green products and services in financial institutions.
- Biodiversity management.

The main focus of strategic action to achieve greener operations centred on socializing the methodology for categorizing and attributing green finance within CAF. In addition, financial incentives were created to promote and originate this type of operations, and transparency in their rating and disclosure was increased.



Graphic image of CAF's participation in COP16, Colombia

Risks, opportunities and future prospects
Greener operations
Institutional strengthening
Gender, inclusion and diversity
Regional integration

Key strategic alliances to promote green operations

In 2024, CAF reaffirmed its commitment to biodiversity through close collaboration with various partner organizations. Throughout the year, this work not only facilitated the organization of key events, but also drove the development of new initiatives as part of our engagement. **Notable partnerships included:**

Patagonia Azul Foundation

In the framework of COP16, the declaration of initiation of the “Marine Biodiversity Credits in Chilean Patagonia” program was signed with the Patagonia Azul Foundation. This alliance aims to structure an innovative financial mechanism that contributes to reducing the financing gap for marine conservation in Chile. As a result of this technical cooperation, CAF will support the development of a marine biodiversity credit program aligned with the country’s climate commitments and the sustainability of its marine protected areas.



Launch of the marine biodiversity credit program in Chilean Patagonia, COP16, Cali, Colombia

Risks, opportunities and future prospects

Greener operations

Institutional strengthening

Gender, inclusion and diversity

Regional integration

Oxford University Centre for technology and management

During COP16, the report “*Biodiversity and Productive Development: A Review of the Economic Outlook in Latin America and the Caribbean*”, was presented, which analyzes opportunities and challenges for integrating biodiversity conservation with economic development in the region. In this context, CAF’s commitments in the Chicó-Bogotá Declaration for Positive Biodiversity in Latin America and the Caribbean were also presented, including the creation of a permanent scientific advisory council to strengthen the link between the scientific community and CAF.



Latimpacto and Trafigura Foundation

In alliance with these two strategic partners, CAF launched *InNatureLab*, a program that seeks to promote innovative solutions in bioeconomy through financial and non-financial support to its member countries. This open innovation and co-creation laboratory will include the participation of vulnerable local communities in strategic ecosystems, fostering sustainable development models.



Botanical gardens

Botanical gardens play an essential role in the conservation of endemic and endangered species, as well as serving as centres for research and education on biodiversity and climate change. Therefore, in 2024, CAF strengthened its commitment to these actors through strategic alliances with the New York Botanical Garden (NYBG) and Kew Gardens. The alliance with NYBG marks a milestone in the region, promoting the conservation and restoration of biodiversity in Latin America and the Caribbean. This collaboration will combine NYBG’s vast scientific expertise in botany and conservation with CAF’s sustainable development approach, generating comprehensive solutions for the region. For its part, the partnership with Kew Gardens represents a historic step forward in the search for innovative and impactful solutions to the most pressing environmental challenges. Kew Gardens’ cutting-edge scientific research, together with CAF’s cooperation network and financial support, will boost the capacities of Latin American and Caribbean countries on their path towards sustainable and resilient development.

Alliance between Kew Gardens and CAF for regional biodiversity



Institutional strengthening

GRI 2-23, GRI 2-24, GRI 2-25, GRI 3-3, GRI 101-3

CAF's cross-cutting agendas focus on consolidating it as the green bank for sustainable and inclusive growth in Latin America and the Caribbean. The institutional strengthening agenda supports capacity building, resource mobilization and access to knowledge, mainly for subnational Governments and their public enterprises.

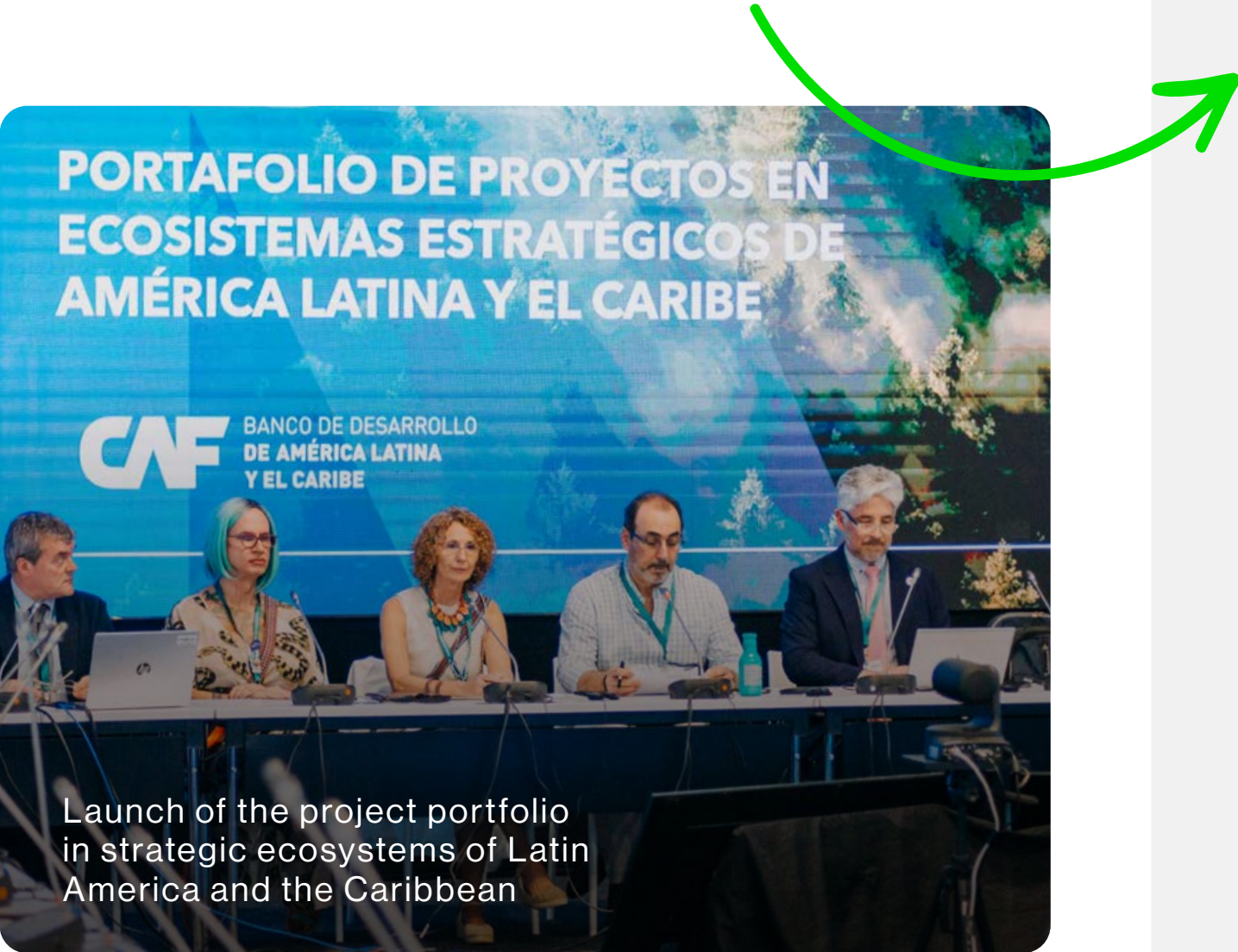
In 2024, more than **USD 1.3 billion** in operations were approved for sustainable infrastructure and capacity building projects. In addition, more than **USD 6.6 million** in training and technical assistance programs were implemented to strengthen the fiscal, administrative and management capacities of local Governments in several countries. This allowed subnational governments to optimise resources and knowledge, achieving greater autonomy and efficiency to face challenges and take advantage of development opportunities.

Pygmy water lily

Risks, opportunities and future prospects
Greener operations
Institutional strengthening
Gender, inclusion and diversity
Regional integration

Outstanding Credit operations and Technical co-operations

CAF integrates specific components in its investment projects and programs, as well as in the structuring of training plans and the use of pre-investment tools. Among the Credit operations and technical co-operations that were approved during 2024 **for the development of projects that integrate capacity building actions, the following stand out:**



Launch of the project portfolio in strategic ecosystems of Latin America and the Caribbean

CREDIT OPERATIONS

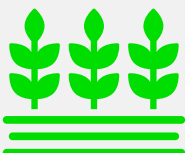
Panama Sanitation System Improvement and Expansion Program

With a **USD 491 million**, credit line, it seeks to recover urban rivers and coastal areas affected by untreated wastewater, benefiting 1.9 million people. Investments include infrastructure to reduce water pollution, protect aquatic ecosystems, and improve public health, as well as reinvestment and institutional strengthening actions to ensure long-term sustainability.



Alto Mao Irrigation Canal Project (Dominican Republic)

With **USD 250 million**, in financing, the use of water resources in the Mao River basin will be optimized. Infrastructure will be built to expand and improve 10,000 hectares of agricultural land, improving resilience to climate change and the quality of life of 50,000 people. The project will also strengthen the capacities of the Irrigation Board and the National Institute of Hydraulic Resources (INDRHI), and will include initiatives to improve the efficiency of parcel irrigation and basin management.



Lempa River Conservation Program

With a **USD 200 million** stand by letter of credit (SBLC) granted to El Salvador, CAF will allow the Government to repurchase **USD 1 billion** of its debt under improved financial conditions. The repurchase savings will be used to conserve the Lempa River basin for a period of at least 20 years. This innovative operation is the most significant debt swap in the world and is also the first to use a financial product for the integrated management of a river basin, alleviating the financial burden and promoting investment in sustainable projects.

Financing Program for the Valle del Cauca Development Plan (2024-2027)

With the **USD 50 million** financing, the fulfillment of the mobility, transportation, housing, water and sanitation, culture, environment, education, and gender goals of the Department's Development Plan will be accelerated. This will generate positive social and environmental impacts, promoting environmental sustainability.



TECHNICAL CO-OPERATIONS

Strengthening the Capacities of Subnational Governments

With an investment of **4.5 million**, 12 projects were approved in 7 countries focused on strengthening fiscal and administrative dimensions to improve the execution of operations with subnational Governments.



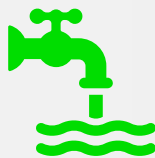
Action Plan for Water Security in the Caribbean 2024-2026

USD 290,000 will be allocated to the development of an action plan and roadmap to implement CAF's water security strategy in the Caribbean, aligned with the countries' priorities and in coordination with other multilateral organizations.



Demand Management and Use of Non-Conventional Waters

With an investment of **USD 80,000**, a prospective framework will be developed to manage the demand and use of non-conventional waters in water scarcity scenarios.



Citizen Security Strategy in cities of Latin America and the Caribbean

A comprehensive urban security strategy will be implemented with an investment of **USD 350,000**, focused on strengthening cities' competencies in crime prevention and mitigating transnational organized crime, promoting international cooperation and effective coordination with higher levels of Government.



Development of the Sustainable Urban Mobility and Quality Public Spaces Agenda in the Caribbean

USD 295,000 will be invested to create sustainable urban mobility and quality public spaces agendas, adapted to the needs of Caribbean countries, with a focus on gender, inclusion, diversity, and climate adaptation.



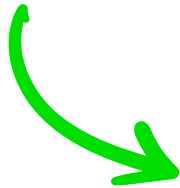
Bacardi Island,
Dominican
Republic

Risks, opportunities and future prospects
Greener operations
Institutional strengthening
Gender, inclusion and diversity
Regional integration

Gender, inclusion and diversity

GRI 3-3, GRI 2-25

CAF is committed to closing the gaps that impede gender equality, the recognition of ethnic and racial diversity, and the inclusion of people with disabilities. To achieve this, it integrates a gender, inclusion and diversity perspective in all its institutional activities, considering the interests and needs of women, people with disabilities, afro-descendants and indigenous peoples.



The Gender, Inclusion and Diversity (GID) approach promotes equality and respect for people's human rights, seeking to generate positive and sustainable impacts in the region. In inclusion, it works to eliminate barriers that hinder the access of people with disabilities to their human rights. In diversity, it promotes development initiatives with identity and an ethnic-racial perspective. In gender, it focuses on supporting actions for the empowerment of women and girls, and promoting an organizational culture free of violence and gender discrimination.

With the GID agenda, CAF seeks to position itself as a strategic ally of member countries, recognizing and supporting policies for population segments that face situations of inequality. In 2024, it approved **USD 330 million** in loans for Ecuador and

Honduras, supporting public policies for the empowerment of women, inclusion of people with disabilities, development of indigenous peoples and afro-descendants, and promotion of youth employment.

The purpose of mainstreaming GID is to incorporate the interests, needs and opportunities for women, people with disabilities, Afro-descendants and indigenous peoples in operations; in this sense, **48 %** of sovereign sector operations incorporated gender, inclusion and diversity considerations.



Risks, opportunities and future prospects
Greener operations
Institutional strengthening
Gender, inclusion and diversity
Regional integration

At the level of Technical co-operations, USD 2,310,700 were approved for actions related to gender, inclusion and diversity, distributed as follows:

GENDER

USD 895,600 were allocated for gender-related initiatives in areas such as sports, human trafficking, mobility, rural development, financial services, and comprehensive care centers.



DIVERSITY

USD 985,100 were granted to promote the entrepreneurial development of Indigenous and Afro-descendant peoples, strengthen ethnically relevant public policies, and support the Permanent Forum on People of African Descent.



INCLUSION

USD 430,000 were provided to strengthen the organizational capacity of National Paralympic Committees, support sports games and athletes, and conduct awareness-raising campaigns within the framework of the Special Olympics.



Campeonas 2.4, a program to promote empowerment and leadership of girls and adolescents through South American football in Argentina, Chile, and Paraguay

Campaign for inclusion led by CAF Special Olympics, and the Government of Paraguay.



“Let’s not wait another 200 years!” – the campaign for the rights of people with intellectual disabilities.

Among the Technical co-operations project approved for funding, the following stand out for their potential impact on business generation:

Support for the Social Policy Cabinet of the Dominican Republic

Pre-investment study for the expansion of the Comprehensive Development Centers for Women (CEDI-Mujer) in new priority territories of the country.

Americas Paralympic Committee

Support for the institutional strengthening of the National Paralympic Committees of the Caribbean.

Collaboration with the Ministry of Racial Equality in Brazil

Development of studies and designs for the “Houses of Racial Equality” program.

Tinkina Yachaykina

Strengthening and innovation of the Intercultural Bilingual Education System and Ethnoeducation in Ecuador.

Risks, opportunities and future prospects
Greener operations
Institutional strengthening
Gender, inclusion and diversity
Regional integration

With a view to establishing itself as a regional benchmark in gender, inclusion and diversity, spaces for dialogue, exchange of good practices and alliances were generated to promote the political exercise of women; actions were promoted for the participation and leadership of Afro-descendants and indigenous people in strategic spaces for political dialogue and entrepreneurial development. In the framework of the inclusion agenda, efforts were focused on promoting the inclusion of persons with disabilities through sport by participating in the International Forum on Sport for Development, the International Forum on Sport and Disability and the Special Olympics Asunción 2024.

Financial inclusion is essential for gender parity, which is why initiatives with a GID approach have been supported.

Workshops and technical assistance for the design of financial education programs with a gender and behavioral economics approach for multiple actors in the financial system.

Experimental study of gender in the access and use of deposit and credit products in Colombia.

16 operations approved with financial institutions incorporated gender considerations.

Indigenous community development projects, Ecuador

Risks, opportunities and future prospects
Greener operations
Institutional strengthening
Gender, inclusion and diversity
Regional integration

Regional integration

GRI 2-25, GRI 3-3

Year after year, CAF has promoted regional integration the aim of increasing the region's productivity, generating a stable regional market and increasing participation in global value chains. To achieve this, CAF has broadened the scope of its interventions, diversifying its operations and implementing its corporate strategy by consolidating its geographical presence.

Within the framework of regional integration, CAF has focused on the development of sustainable comprehensive infrastructure to achieve physical and functional integration, facilitate trade, promote the development of border populations and generate alliances that contribute differential value to regional integration processes.



In 2024, CAF continues to consolidate its strategic position in the region. Thanks to the incorporation of new shareholder countries, Bahamas, Grenada, Dominica and Antigua and Barbuda, which will increase CAF's presence in the Caribbean, as well as Costa Rica becoming a member country of the bank, which in turn consolidates CAF's presence in Central America.

Bahamas, new CAF shareholder country

With regard to CAF's regional integration agenda, in 2024, the following stand out among the approvals of credit and technical co-operation operations that contribute to it:



CLXXXIII
CAF Board of Directors,
El Salvador

Credit operations

An amount of **USD 320 million** was approved for the operation known as a “**El Salvador Vuela**”, aimed at strengthening and modernizing the airport network for national and international services. This investment seeks to boost the country's competitiveness by reducing costs and air connectivity times in El Salvador.

USD 160 million were approved to improve the road network in western Honduras, which will have an impact on the economic, social, political, and cultural development of the region. This project will favor the rapid and efficient mobilization of people and goods by connecting two strategic corridors for the country.



Technical co-operations

A **USD 3 million** Technical co-operations project was approved from the CAF-PPI in favor of Colombia for the project “*Borders for Life, Integration of Colombia with the Region and Guarantee of the Rights of the Migrant Population.*” This project seeks to optimize the infrastructure of border crossings, promoting the integration of Colombia with the region by strengthening migration and trade management at strategic points.



In 2025, CAF will focus on promoting Credit operations in key areas such as air, maritime and river connectivity, logistics, trade facilitation, border development and regional integration. These initiatives will be supported by the deployment of technical assistance instruments and the generation of applied know-how.

Risks, opportunities and future prospects
Green Bank
Banking on sustainable and inclusive growth
Productivity and internationalization

Sustainable engagement: driving responsible growth and inclusiveness in Latin America and the Caribbean

Los Jotes Photovoltaic
Park project, Chile

Risks, opportunities and future prospects
Green bank
Banking on sustainable and inclusive growth
Productivity and internationalization



The climate crisis is a global challenge that affects the environment and society, putting biodiversity and food security at risk, especially for vulnerable populations. In response, CAF acts as the green bank in Latin America and the Caribbean, financing conservation, clean energy and community welfare projects. It also seeks to create inclusive and resilient territories, supporting equal opportunities and improvements in health, nutrition and education, promoting digital innovation and emerging technologies.



Ecosystem preservation project, Floreana Island, Ecuador

Risks, opportunities and future prospects
Green bank
Banking on sustainable and inclusive growth
Productivity and internationalization

Risks, opportunities and future prospects

GRI 3-3

Risks and opportunities

The main risks in implementing sustainable operations include uneven progress in the energy transition, financial constraints, environmental costs not reflected in energy and inequalities in access to services. Political obstacles and vulnerability to extreme events are also major challenges.

To manage these risks, CAF adopts flexible strategies that maximize opportunities such as international green finance, climate resilience and a just energy transition. Seeking to strengthen regional economies through the expansion of networks and the digitalization of public services while maintaining our leadership in sustainability and transformation in Latin America and the Caribbean.

Future perspectives

CAF will promote key projects to advance the energy transition in the region. It will continue to align its operations with the Paris Agreement, consolidating the Green Action Facility for Latin America and the Caribbean with the support of Spain's Green Action Fund.

Social commitment will be strengthened, supporting people with disabilities, indigenous communities, racial equality and women's empowerment, as well as education and health projects. In infrastructure, investment will be increased in Central America and the Caribbean, promoting railway reactivation and sustainable road expansion projects, aligned with digitalization and the circular economy.

Intercultural health project, Ecuador

Green bank

Just energy transition

GRI 2-25, GRI 3-3

The Latin American and Caribbean region has a large availability of renewable energy sources, including solar, wind, hydro and geothermal. In addition, it has an abundance of natural gas as a transition fuel to a low-carbon economy. Harnessing and optimizing these resources will help reduce dependence on fossil fuels and reduce greenhouse gas emissions associated with their use.

Therefore, the adoption of renewable energy and cleaner technologies is highlighted as a priority, as it addresses the challenges of climate change and, at the same time, protects the well-being of communities, ensuring social and labor justice in the energy transition process. **Thus, the main focus of actions for 2024 has centred on the following initiatives:**

Risks, opportunities and future prospects
Green bank
Banking on sustainable and inclusive growth
Productivity and internationalization

Clean generation

Expansion in generation assets with **renewable sources.**

Infrastructure

Strengthening of energy transmission, distribution, and **storage infrastructure.**

Decarbonization and new sources

Use of gas and hydrogen for decarbonization of key sectors such as transportation, electricity, and **high-consumption production chains.**

Iguazú hydroelectric project, Paraguay



Risks, opportunities and future prospects

Green bank

Banking on sustainable and inclusive growth

Productivity and internationalization

These are implemented by means of:

- Technical assistance
- Approval of credit operations
- Supporting countries in the region to comply with the Paris Agreement
- Knowledge generation

Promoting a just energy transition

CAF has positioned the energy transition as one of the material issues on its mission agenda, manifested in support for investment projects that guarantee energy security, coverage and affordability of electricity services. The bank also maintains its commitment to green finance, which it aims to increase from 24 % in 2020 to 40 % of its portfolio by 2026. Between 2014 and 2024, 11 renewable energy generation projects were financed for **USD 347 million in the region.**

The energy transition is key to regional productive development, supporting a clean and diverse economy. This agenda has had a positive impact on the bank, promoting initiatives in energy efficiency, renewable energy and technological innovation.

2024 Outcome highlights

- As of end October 2024, **USD 400 million** were approved to support the energy transition in Chile and Peru.
- Credit line with approvals of **USD 200 million** for the renovation and strengthening electricity distribution and transmission infrastructure in Paraguay and Colombia.

Outstanding operations

Technical co-operations

- Energy Integration.** In October 2024, CAF and OLADE signed a Technical co-operations agreement for USD 1.5 million to promote Energy Integration in MERCOSUR (Argentina, Brazil, Paraguay and Uruguay) and Chile. The study seeks to optimize existing and projected gas infrastructure, evaluating regulatory scenarios to create an efficient and secure energy network adapted to the needs of each country.

Ongoing operations with milestones in 2024

- CAF continues to build on ongoing operations from previous years that have had significant milestones in 2024.

REVERSAL OF THE NORTHERN GAS PIPELINE (Argentina)

Advance: **184 kilometres** of new pipelines and the reversal of four compressor plants were installed, increasing natural gas transport capacity and enabling future exports to markets such as Brazil.

Target: Expand natural gas transport capacity from Vaca Muerta to the provinces of central and northern Argentina.

Beneficiaries: Tourism and trade sectors, as well as passengers and companies using the national airport network.



Investment: **USD 740 million** (USD 540 million financed by CAF).



Northern Gas Pipeline Reversal Project, Argentina

Looking to the future

With regard to the strategic agenda, the work plan of the mission agenda will be promoted based on the results of the study on the Energy Transition in Latin America and the Caribbean. The aim is to carry out an updated diagnosis of the reality of the sector in the member countries, in order to identify an inventory of priority investment projects to advance the energy transition process in the region.

➤ See *The Energy Transition in Latin America and the Caribbean. A vision of its opportunities and challenges until 2050. Current context and pathways for the future of the region.*



Biodiversity and ecosystem services

GRI 2-25, GRI 3-3, GRI 101-1, GRI 101-3, GRI 101-5

Latin America and the Caribbean face threats to their biodiversity due to deforestation, mining, intensive agriculture, urbanisation, pollution and climate change. The loss of species will impact the food security, health and wellbeing of communities. In this context, CAF reiterates its commitment to financing projects to conserve and sustainably use biodiversity, strengthening ecosystems as sources of development through three key approaches:

- | | | |
|---|---|--|
| 1. | 2. | 3. |
| Boosting climate resilience and adaptation through an ecosystem approach. | Focus on the blue economy and the preservation of our oceans. | Promoting a sustainable, resilient and regenerative agricultural sector. |

CAF has financed and provided technical assistance in key projects to conserve ecosystems and promote sustainable development. The following highlights the main credit initiatives and technical co-operations with impact in the region.

Credit Initiatives

- A regional program was launched with an initial amount of **USD 300 million** to conserve, restore, and sustainably use important ecosystems. Its objective is to increase investment in biodiversity and foster an approach that considers ecosystems in conversations between countries. The program helps find quality projects and creates a favorable environment for investing in biodiversity, especially in the most vulnerable areas. This initiative is in addition to the Green Action Facility, which provides technical support and financing to ecological projects.

Technical co-operations

- A portfolio of projects in strategic ecosystems in **14 CAF countries** was created (**USD 87,000**) to boost demand for biodiversity financing. This portfolio facilitates access to the Regional Program for Conservation and Ecological Restoration, promoting investments and strengthening the connection between projects.
- Technical and institutional strengthening was promoted in Latin America and the Caribbean to generate positive biodiversity credits. This effort supports the valorization of natural capital through the issuance of credits, directing resources to biodiversity improvement and preservation activities, ensuring integrity, impact, and transparency.

Risks, opportunities and future prospects

Green bank

Banking on sustainable and inclusive growth

Productivity and internationalization

Climate adaptation and resilience through an ecosystem approach

GRI 101-1

This initiative is critical to support shareholder countries in the transition to sustainable, resilient, green and inclusive economic growth models. Through a proactive approach to the challenges of climate change and the accelerating loss of biodiversity, it contributes to the Sustainable Development Goals (SDGs), the Paris Agreement, the Global Biodiversity Framework and the fight against desertification and land degradation.

In 2024, CAF's profile was consolidated as a strategic partner in the region in the areas of climate action, biodiversity and disaster risk management, with a balanced approach between nature-based solutions, strengthening resilience in productive sectors and disaster risk reduction actions.

Credit operations

- A Comprehensive Loan Linked to Climate and Social Objectives (PIVOCS) was approved for **\$300 million** to strengthen sustainable financial markets in Mexico and mobilize resources for climate action. This is CAF's first operation with financial conditions linked to sustainability objectives.
- A \$50 million program was financed to strengthen El Salvador's Emergency Response Plan, focusing on mitigation, preparation, response, and repair of infrastructure in the face of climate emergencies.
- Financing of **\$75 million** was approved to strengthen risk management for climate events in Bolivia, with actions focused on mitigation, response, recovery, and reconstruction.

Technical co-operations

- A **\$10 million** adaptation fund was established to strengthen the socio-ecological resilience of Uruguay's coastal zone and improve the adaptive capacity of its infrastructure in the face of climate change.



Towards the blue economy and the preservation of oceans

GRI 101-2

The blue economy is fundamental to biodiversity and ecosystem services, highlighting the role of the oceans in climate regulation and sectors such as tourism, fisheries and transport. However, these ecosystems face threats from climate change, pollution and overexploitation. To address these challenges, specific initiatives have been launched to ensure their protection and sustainability.



In December 2024, CAF presented the impact report **“Blue economy for healthy oceans and sustainable development”**. The document highlights the mobilization of USD 952 million in the last four years, distributed in USD 862 million for 14 Credit operations and 16 Technical co-operations operations with CAF funds, plus USD 90 million for five projects financed by green funds.

Marine protected areas and biosphere reserves have been created, implementing coastal litter management strategies. These initiatives restore ecosystems and strengthen their resilience to climate change. Through funding, technical assistance and strategic partnerships, is developing projects to conserve biodiversity, promote ocean renewable energy and adapt communities to climate change, ensuring the sustainability of the oceans.

Credit operations

- Financing of **\$350 million** was approved to promote decentralization and biodiversity in Colombia, with a focus on institutional strengthening, environmental governance, and territorial management. **Of the total, \$129.5 million (37 %) is earmarked for sustainable blue economy initiatives.**

Technical co-operations

- Technical co-operations of **\$200,000 were allocated to support Chile in implementing a marine biodiversity credit program in Patagonia.** This pilot project lays the necessary foundations for creating a financial mechanism that supports the country's climate objectives and promotes the conservation of marine protected areas.

Promoting a sustainable, resilient and regenerative agricultural sector

GRI 101-8

The sustainable agricultural sector is key to biodiversity and ecosystem services, supporting climate action and the preservation of natural capital. The transformation towards sustainable practices improves profitability, promotes social equity and environmental health. Through technological innovation and energy transition, it drives decarbonisation and the use of biomass to generate clean energy, aligning with the circular bioeconomy.

Technical co-operations

- A Regional Agenda for Sustainable Dairying in Latin America and the Caribbean has been promoted, which identified the main gaps in dairy activity in at least three countries in the region. Using the Dairy Sustainability Framework methodology, the initiative aims to promote sustainable production, preserving natural resources and guaranteeing decent livelihoods in the sector, with an investment of **USD 92,000.**
- An initiative was launched to establish a sustainability standard in Uruguay's poultry chain, promoting its diversification and international integration. A strategic roadmap was also developed to position the sector as sustainable and export-oriented, with an investment of **USD 60,000.**



Dairy production projects, Uruguay

Climate change resilient territories

GRI 2-25, GRI 3-3

CAF addresses socio-economic and environmental challenges in Latin America and the Caribbean by strengthening strategic capacities in key areas such as water security, urban systems, creative economies and tourism. Its main focus is on promoting sustainable and inclusive development in the territories, while expanding its investment portfolio.

At the same time, it promotes initiatives to increase resilience and improve the quality of life in large and medium-sized cities.



Promoting water security

GRI 101-8

Water security is a strategic initiative aimed at ensuring safe access to water, improving sanitation, promoting efficient water resources management and reducing pollution. It also stimulates the implementation of adaptation measures to cope with droughts and floods, strengthening the climate resilience of communities and ecosystems.

During the United Nations Water Conference in March 2023, the institution made a commitment to allocate USD 4 billion between 2023 and 2026 to strengthen the sustainable management of water resources in the region. By the second year of implementation, of the target has been reached with sovereign credits, and 62 % by adding sectoral credit from the private sector.



Operations related to Water Security Projects were approved for more than **USD 1.5 billion** and the refinancing of an operation for **USD 241 million**

Pre-investment study approvals under the Pre-investment Program for the Water Sector (CAF-PPSA) reached USD 7.21 million, a historic milestone that will facilitate investments of approximately **USD 425 million** in 2026-2027.



Guri Dam hydroelectric project, Bolívar, Venezuela

Risks, opportunities and future prospects

Green bank

Banking on sustainable and inclusive growth

Productivity and internationalization

Among the credit approved in 2024 under the water security framework, the following stand out:

RESILIENT DAMS PROGRAM IN BOLIVIA

Drought management through storage and plot irrigation works to increase **13,600 hectares** under irrigation, improve agricultural productivity, and benefit thousands of vulnerable families affected by severe weather.

Investment:
USD 240 million

LEMPA RIVER CONSERVATION PROGRAM EL SALVADOR

First debt exchange operation in which CAF granted a standby letter of credit (SBLC) to the Government of El Salvador for **USD 200 million** and the first for freshwater management in the world. This allowed for the repurchase of **USD 1 billion** of debt under better financial conditions, thanks to guarantees from the DFC and CAF.

Fiscal savings will be allocated to the conservation of the river basin for at least 20 years.

PANAMA SANITATION SYSTEM IMPROVEMENT AND EXPANSION PROGRAM

Recovery of urban rivers and coastal areas affected by untreated wastewater through the development and optimization of key infrastructure, such as sanitary sewer systems, main collectors, interceptors, and tunnels, as well as the construction of two wastewater treatment plants.

Beneficiaries:
1.9 million people in Panama

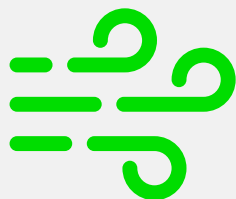
Investment:
USD 491 million

ALTO MAO IRRIGATION CANAL PROJECT IN THE DOMINICAN REPUBLIC

Optimization of water resources in the Mao River basin, affected by water stress, through the construction of infrastructure for water conduction and storage. The project will benefit **10,000 hectares** with irrigation, which will increase agricultural productivity and improve climate resilience.

Beneficiaries:
50,000 people

Investment:
USD 250 million



Technical co-operation approvals to support the implementation of the **Water Security Strategy for USD 670,000**

Risks, opportunities and future prospects

Green bank

Banking on sustainable and inclusive growth

Productivity and internationalization

Some of these cooperations correspond to:

Action plan for water security in the Caribbean region (2024-2026):

Design an action plan and roadmap to implement CAF's water security strategy in the Caribbean, with actions aligned with national priorities, validated by sectoral actors coordinated with multilateral organizations, focused on developing a pipeline of Technical co-operations projects.

Investment:
USD 290,000



Prospective framework for the management of demand and use of unconventional waters in water scarcity scenarios

The initiative is focused on mitigating one of the main risks to water security, such as water scarcity.

Investment:
USD 250 million



On the other hand, **USD 2 million** from the Multilateral Cooperation Third Party Fund (MCDF) was managed for capacity building in the Puyango-Tumbes Transboundary Basin, shared by Ecuador and Peru, marking the first water operation approved by this organization.



Water and sanitation project in La Ciénaga, Santa Marta, Colombia

Development of urban and mobility systems, creative economies and tourism

GRI 101-8

It has supported the financing of interventions aimed at optimizing urban and mobility systems, as well as strengthening the region's creative and cultural economies. These actions are aimed at promoting a sustainable and resilient development model in the face of the effects of climate change, in harmony with nature.

To this end, priority is given to urban regeneration, the development of key infrastructure and the integration of investment and Technical co-operations programs, with the aim of enhancing the positive impact on the beneficiary communities.

Risks, opportunities and future prospects
Green bank
Banking on sustainable and inclusive growth
Productivity and internationalization

In 2024, the following key milestones were achieved under this strategic area:



MERCOSUR cities join CAF's BiodiverCities Network to promote sustainable urban development



Mar Chiquita joins the BiodiverCities Network of Latin America and the Caribbean

Implementation of third-party resources (LACIF) for **EUR 4 million** to finance pre-investment projects or investment in public transport projects.



Mobilization of resources with third-party funds from two operations for **USD 445,000.**



Approval of 16 Technical co-operations projects for **USD 3.428 million** for initiatives in urban development, tourism, migration, fiscal sustainability, and creative economies.



Institutional strengthening for subnational Governments in the areas of urban development, creative economies, and tourism, as well as the dissemination of the actions of the second phase of the BiodiverCities Network.



In 2025, continuity will be given to strengthening the process of structuring urban operations with a comprehensive approach, based on the Strategic Urban Development Guidelines (LEDU). Among other planned actions such as:

- Implementation of sector strategies focused on urban areas, providing robust tools that will improve origination processes, access to more opportunities and management efficiency.
- Start of a new stage of the BiodiverCities network and incubation of green projects, expanding membership, approaching other regional networks and consolidating the products offered to position the space as an origination platform.

Risks, opportunities and future prospects
Green bank
Banking on sustainable and inclusive growth
Productivity and internationalization

Banking on sustainable and inclusive growth

Inclusive social welfare

GRI 2-25, GRI 3-3

At CAF, our inclusive social welfare initiative contributes to the expansion of opportunities in health and education, youth training and employability, gender equality and the well-being of indigenous peoples, Afro-descendants and people with disabilities.



The Social Welfare and Inclusion initiative focuses on promoting actions aimed at reducing inequality gaps and ensuring equitable access to essential services such as education and health. It reinforces public education policies by promoting and fostering quality and relevant education that facilitates learning and development of 21st century skills for all children, adolescents and youth. It also works to improve the conditions and management of education systems.

At the same time, the optimization of health, nutrition and food security systems is being promoted, with special emphasis on the protection and comprehensive development of early childhood. It also promotes policies that guarantee equal opportunities, through the support and strengthening of public policies on gender, inclusion of people with disabilities and ethnic and racial diversity.



In 2024, the initiative has developed three management focuses:

IMPROVING HEALTH, NUTRITION AND CHILD CARE

- Ensure child health, nutrition and protection for holistic development.
- Strengthening the food security of vulnerable families through the “Alimentar” benefit in Argentina.
- Support malaria control in border municipalities in Brazil, Peru and Bolivia.
- Support the reform of the school feeding model in Ecuador, promoting family farming and fair trade.

STRENGTHENING 21ST CENTURY SKILLS

- To train young people in key skills to strengthen competitiveness in the present and face future challenges.
- Contribute to closing access gaps, raising the quality and relevance of education systems.
- Improve equitable access to the education system and learning achievements by strengthening educational infrastructure (educational spaces and environments).
- Promote regional integration through the teaching of Spanish in the English-speaking Caribbean.
- Promote educational innovation through the incorporation of computer science and AI.
- Promote quality VET education programs with a direct link to green jobs.

EQUAL OPPORTUNITIES POLICIES

- Contribute to equal opportunities and the empowerment of women and girls from an intersectional perspective by supporting public policies for equality and gender mainstreaming.
- Promote the ethnic and racial vindication of historically excluded populations and promote the development of these communities with identity through investment, strengthening and development of institutional, community and technological capacities.
- Transform the cultural paradigm about disability towards a social model that seeks to remove the barriers that persons with disabilities face in accessing their human rights.



These actions are aligned with Government policies aimed at closing social gaps, strengthening institutions through transparency, integrity and innovation with a view to optimizing public funding and maximizing social investment.



Risks, opportunities and future prospects
Green bank
Banking on sustainable and inclusive growth
Productivity and internationalization

2024 strategic focuses of action and management

In 2024, a total of USD 806 million were approved to strengthen skills to face the fourth industrial revolution and increase the competitiveness of young people in the labour market, as well as to improve education, health, food security, nutrition, and early childhood protection systems and programs; and to promote policies for gender equality, inclusion and diversity. The Inclusive Social Welfare Facility was also approved, with an allocation of USD 3 million to support pre-investment actions and the formulation of proposals in education, health, early childhood, food security

and nutrition, social protection, gender equality, inclusion of persons with disabilities, and promotion of ethnic and racial diversity.

Significant progress was made in diversifying the portfolio by promoting projects mainly in Argentina, Colombia, El Salvador, Ecuador and Uruguay, as well as in Caribbean countries such as Trinidad and Tobago, which are in line with our strategic objectives of equitable access to health and education.

Improving early childhood health, nutrition and care

CAF promotes social and inclusive wellbeing through a comprehensive approach, promoting actions aimed at strengthening health systems, food security and comprehensive attention to early childhood in the countries. **These initiatives give special priority to people in vulnerable situations.**

Support countries in improving health infrastructure and in the digital transformation of health and food security systems, especially for vulnerable populations. **This will be achieved through intersectoral actions and social protection mechanisms** that facilitate access to healthy food and promote better nutritional practices. In addition, it seeks to strengthen comprehensive strategies for early childhood care.

Investment in infrastructure and digital transformation are central to CAF's education and health agendas, contributing significantly to the reduction of inequality gaps in the region and extending well-being to a greater number of people. These are accompanied by intersectoral strategies focused on improving food practices and the comprehensive development of early childhood.



Intercultural health project, Ecuador

Risks, opportunities and future prospects
Green bank
Banking on sustainable and inclusive growth
Productivity and internationalization

IMPACT

More than
USD 400 million
to ensure food and nutrition for socially vulnerable families in Argentina.

4 million
beneficiaries of the program to strengthen food and nutrition in Argentina (Alimentar IV) and around 300,000 inhabitants in the triple border area of Bolivia, Brazil and Peru benefited by the mitigation and prevention of malaria in affected areas.



Outstanding operations

	Credit operations	Technical co-operations	
Programs	Alimentar IV - Argentina	Malaria control in Amazonian border areas	Sustainable school feeding in Ecuador
Description	The operation reinforces the Argentina National Plan against Hunger, ensuring food and nutrition for vulnerable families, with a special focus on early childhood. The Alimentar benefit, implemented in response to the 2019 food emergency, has been extended until 2025 to continue addressing the social crisis.	Implement diagnostics, treatments and management models to eradicate malaria in border regions of Bolivia, Brazil and Peru, strengthening community planning and intervention with actions that can be replicated in other territories.	Reform and scaling up of the decentralized school feeding model promoting family farming and fair trade through public procurement procedures in Ecuador to strengthen food security, local economy and student nutrition.
Beneficiaries	Direct beneficiaries include around 4 million people , including parents with children under 14, pregnant women from the third month, people with disabilities and mothers with seven or more children.	An estimated population of 275,411 inhabitants of the triple border between Bolivia, Brazil and Peru.	Potential beneficiaries will reach 3 million children linked to the National School Feeding Program with the reform.
SDG	 SDG 2 End hunger  SDG 17 Partnerships to achieve the goals	 SDG 10 Reducing inequalities  SDG 17 Partnerships to achieve the goals	 SDG 4 Quality education
Investment	USD 400 million	USD 298,000	USD 120,000

Risks, opportunities and future prospects
Green bank
Banking on sustainable and inclusive growth
Productivity and internationalization

Strengthening 21st century skills

In 2024, CAF continued its work towards closing gaps in access, quality and relevance of education through the design and implementation of comprehensive interventions that promote greater learning opportunities for all people. It promoted initiatives for the development of 21st century skills in 15 countries in the region, with a focus on expanding and improving resilient educational infrastructures, learning Spanish and expanding the supply of higher education.

CAF promotes the development of 21st century skills and the strengthening of the quality and relevance of the sector by improving infrastructures, teaching-learning processes and educational management.



IMPACT

276,000 students and 1,300 teachers benefited from the improvement of educational infrastructure and the strengthening of Spanish language teaching in Trinidad and Tobago.

More than **7,000 students** and **450 teachers** benefit from a new university campus in Uruguay.

40,000 members are supported with more than **USD 300 million** earmarked for the overall reform of Uruguay's social security system.

86,000 students in pre-school, primary, secondary and higher education benefited from the transformation of educational environments and spaces in Colombia.

Ethno-educational school project in Timbiquí, Colombia

Risks, opportunities and future prospects
Green bank
Banking on sustainable and inclusive growth
Productivity and internationalization

Outstanding operations

	Credit operations			Technical co-operations	
Programs	Resilient Educational Infrastructure and Spanish Language Teaching Program - Trinidad and Tobago	New University Headquarters Paysandú Project	Strengthening the CJPB	Resilient and transformative education infrastructures	Program for the Promotion of Spanish in the English-Speaking Caribbean
Description	USD 100 million loan approved by CAF in December 2024 to improve educational infrastructure and strengthen the teaching of Spanish as a first foreign language.	Construction of a university complex of approximately 7,500 m² with the aim of contributing to guaranteeing access to and quality of tertiary education in Uruguay.	Approval of a USD 300 million credit line for the Caja de Jubilaciones y Pensiones Bancarias de Uruguay, with sovereign guarantee, to strengthen its financial sustainability and integration into the common pension system, including financing from CAF, FONPLATA and BROU, and promoting the issuance of own securities.	Integration of environmental sustainability in education and health infrastructure projects in Latin America and the Caribbean, with training for 52 officials in 2024 and environmental certifications in Colombia and El Salvador in 2025, aligned with CAF's green bank objective.	Strategy for Spanish language learning in the Caribbean, developing best practices, digital content and events to strengthen Spanish language teaching, support trade, improve educational policies and teacher training.
Beneficiaries	Around 1,300 teachers and 276,000 students in primary and secondary schools nationwide.	7,196 enrolled per degree course and 450 teachers and administrative personnel	40,000 members	86,000 students	More than 350 beneficiaries including students, teachers and technical teams.
SDG	 SDG 4 Quality education	 SDG 4 Quality education	 SDG 1 End poverty  SDG 5 Gender equality  SDG 10 Reducing inequalities  SDG 17 Partnerships to achieve the goal	 SDG 4 Quality education  SDG 13 Climate action	 SDG 4 Quality education  SDG 17 Partnerships to achieve the goal
Investment	USD 100 million	USD 6 million	USD 300 million	USD 300,000	USD 100,000

Risks, opportunities and future prospects
Green bank
Banking on sustainable and inclusive growth
Productivity and internationalization

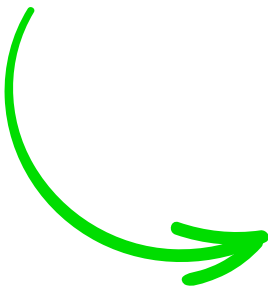
Promoting equal opportunities policies

In terms of support to countries for the development and strengthening of public policies on gender, inclusion and diversity, CAF approved USD 250 million to Ecuador for the implementation of public policies to promote youth employment, gender equality and social protection in order to improve the living conditions of the population, the capabilities and security of people; and USD 80 million to support policies and regulatory and institutional changes for the empowerment of women, the inclusion of people with disabilities and the development of indigenous and Afro-descendant peoples in Honduras. For more details see the Gender, Inclusion and Diversity section of this report.

Physical and digital infrastructure

GRI 2-25, GRI 3-3

In Latin America and the Caribbean, physical and digital infrastructure is a key pillar for driving sustainable development, reducing poverty and improving regional competitiveness.



The region faces an investment gap in physical infrastructure, requiring around of 5 % GDP annually for roads, bridges, ports, airports, telecommunications and basic services. Lack of digital connectivity limits access to economic and social opportunities. Digital transformation and strengthening infrastructure are key to increasing resilience and regional economic growth.

CAF reinforces its commitment to regional connectivity and infrastructure modernization through projects aligned with the mission agendas of Just Energy Transition and Physical and Digital Infrastructure, as well as with the cross-cutting agenda of Regional Integration. It supports the generation of knowledge, technical assistance and financing in sectors such as energy, transport and digital transformation. These initiatives seek to improve competitiveness, promote sustainable mobility and the digitalization of services, accelerating the region's development.



“Somos Grandes” project, Quibdó, Colombia

In 2024, the Physical Infrastructure and Digital Transformation initiative developed three management focal points:



TRANSPORTATION

Promote physical connectivity and integration through interventions in comprehensive sustainable transportation and logistics infrastructure.

Key Operations

- Program to boost the railroad industry in Latin America and the Caribbean for **USD 250,000**.



DIGITAL TRANSFORMATION

Support the deployment of digital infrastructure, telecommunications, and the use of emerging technologies for the digital transformation of homes, Governments, and productive sectors.

Key Operations

- Strengthening the digital structure through the establishment of a TIER 4 Data Center with an investment of **USD 35 million**.
- Deployment of the first submarine cable between the United States, Panama, and El Salvador in a **USD 145 million** credit operation.
- Implementation of the Open Data Guide for Climate Action for an amount of **USD 200,000**.
- CAF Initiative for the Modification of Public Procurement Systems in Latin America for **USD 280,000**.



REGIONAL INTEGRATION

Strengthen physical and digital connectivity between Latin American and Caribbean countries, promoting cross-border infrastructure projects, regulatory harmonization, and trade facilitation.

Key Operations

- El Salvador Vuela. Modernization, strengthening, and construction of aeronautical infrastructure.
- Honduras. Expansion, Rehabilitation, and Improvement Project of the Western Corridor Ca-4, Section: Chamalecón-NAC for an amount of **USD 160 million**.
- Borders for life, integration of Colombia with the region, and guarantee of the rights of the Migrant Population, technical cooperation approved for **USD 3 million**.

2024 strategic focuses of action¹ and management

GRI 3-3

As of December 2024, **USD 2.26 billion** was approved to improve physical and digital connectivity with a regional focus. Progress was made on terrestrial, submarine and airport infrastructure projects, as well as technical assistance to implement digital infrastructure and emerging technologies in households, Governments and productive sectors.



In 2024, operations approved for digital transformation amounted to more than **USD 180 million** and in regional integration this figure reached nearly **USD 485 million**.



The main beneficiary states of the Credit operations were Chile, El Salvador and Peru.

¹ Our energy management is available in the chapter on Just Energy Transition.

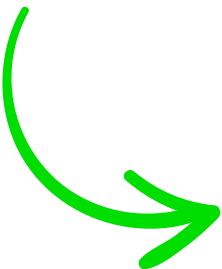
Risks, opportunities and future prospects
Green bank
Banking on sustainable and inclusive growth
Productivity and internationalization

Transport

In the **transport** sector, CAF works to develop resilient and sustainable infrastructure that strengthens regional connectivity and competitiveness. Through financing and technical assistance, CAF promotes projects that modernize and optimize land, maritime, river and air transport systems, promoting efficient and sustainable solutions. These initiatives seek to improve the mobility of people and goods, reduce logistics costs and facilitate economic integration in Latin America and the Caribbean.

Outstanding Operations

Program to Promote Railroads in Latin America and the Caribbean



Objective: To strengthen and modernize the sector railway, promoting its development as an efficient, sustainable, and economically viable means of transportation through CAF's technical assistance.

Beneficiaries: CAF seeks to support the projects already identified in Argentina, Brazil, Chile, Colombia, and Uruguay.

Investment:
USD 250,000

Digital transformation

With respect to Digital Transformation, CAF promotes the development of infrastructure and innovative technologies to close the digital divide in Latin America and the Caribbean. Through financing and technical assistance, it promotes projects that strengthen connectivity, the digitalization of public services and the adoption of emerging technologies. These initiatives seek to improve accessibility, reduce connectivity costs and foster regional competitiveness by modernizing digital infrastructure and promoting the digital economy.



Central Railway project, Uruguay

Risks, opportunities and future prospects
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Outstanding operations

	Credit operations		Technical co-operations	
Programs	Submarine cable between United States, Panama with El Salvador	Strengthening the digital infrastructure in Trinidad and Tobago	Implementation of the Open Data for Climate Action Guidebook	CAF Initiative for the Modification of Public Procurement Systems in Latin America
Agency	Presidency of the Republic of El Salvador	Government of Trinidad and Tobago	Governments and citizens of Chile, Colombia and Panama	Governments and public entities of Brazil, Chile and Paraguay
Operation	The initiative aims to reduce international connectivity costs, increase bandwidth capacity and foster the growth of the information and communication technology (ICT) sector.	This state-of-the-art facility will strengthen national security, ensure data sovereignty and improve the country's business continuity. It will also facilitate interoperability, electronic identification services and the concept of data embassies, promoting regional digital integration.	This initiative seeks to support the implementation of the Escazú Agreement by promoting access to environmental information and citizen participation.	This initiative aims to encourage the effective use of this data to optimize the quality of public spending and promote greater transparency and efficiency in Government procurement processes.
Target	Improve El Salvador's digital infrastructure through the deployment of the first submarine cable that will connect the country to the United States and Panama.	Develop a tier four modular data center in Trinidad and Tobago as part of its digital government initiatives.	Facilitating transparency in climate finance by using and leveraging Government data in climate action program and policies in Chile, Colombia and Panama.	Strengthen public procurement systems in Brazil, Chile and Paraguay by improving the availability, usability and quality of public procurement data.
Beneficiaries	Consumers, businesses and the ICT sector in El Salvador.	The government and people of Trinidad and Tobago, as well as neighbouring countries, will be able to access embassy data services.	Governments and citizens of Chile, Colombia and Panama.	Governments and public entities in Brazil, Chile and Paraguay.
SDG	 SDG 9 - Industry, innovation and infrastructure.	 SDG 16 - Peace, justice and strong institutions: Helps ensure access to information and data protection.	 SDG 13 - Climate action.  SDG 16 - Peace, justice and strong institutions.	 SDG 16 - Peace, justice and strong institutions.  SDG 17 - Partnerships to achieve the goals.
Investment	USD 145 million	USD 35 million	USD 200,000	USD 280,000

Regional integration

CAF promotes regional integration through the development of strategic infrastructure that improves physical and commercial connectivity between Latin American and Caribbean countries. In 2024, priority was given to projects that strengthen mobility, reduce logistical costs and foster economic development in key areas. In addition, initiatives that optimize migration and trade management at borders were promoted. These actions contribute to boosting the region's competitiveness, generating local opportunities and strengthening resilience to social and environmental challenges.

Sustainable engagement: driving responsible growth and inclusiveness in Latin America and the Caribbean

Risks, opportunities and future prospects
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Outstanding operations

Credit operations			
Programs	El Salvador Vuela	Expansion, Rehabilitation and Improvement Project for the Western Corridor Ca-4, Section: Chamalec3n - NAC	CAF - PPI
Agency	Republic of El Salvador	Government of Honduras	Government of Colombia
Operation	El Salvador Vuela is a credit operation approved in March 2024 aimed at modernizing, strengthening and expanding El Salvador's aviation infrastructure.	Improve the road network in order to increase the economic, social, political and cultural development of the area, stimulating the rapid and efficient mobilization of people and goods by linking two strategic corridors (Logistics Corridor - Western Corridor).	Modernization of border service centers, reinforcement of international bridges and optimization of river terminals.
Target	Improve El Salvador's air connectivity by modernising and expanding its airport infrastructure, reducing costs and travel times, boosting tourism and the country's competitiveness, and strengthening resilience to natural disasters.	Improve road infrastructure in western Honduras to strengthen the physical integration and connectivity of the country, reducing logistical costs and promoting the economic and social development of the region with opportunities for local organizations to restore livelihoods for local people, as well as preserving and strengthening the environmental and social balance of the area.	Strengthen infrastructure and migration management at Colombia's border crossings, improving regional integration and ensuring safe and efficient transit of people and goods.
Beneficiaries	Tourism and commercial sectors, and passengers and businesses using the country's airport network.	Users of the road network in Western Honduras.	Migrants, local populations in Colombia's border areas. Government entities responsible for migration and trade management.
SDG	 SDG 9 Industry, innovation and infrastructure.	 SDG 9 Industry, innovation and infrastructure.  SDG 8 Decent work and economic growth.	 SDG 10 Reducing inequalities. s.  SDG 16 Peace, justice and strong institutions.
Investment	USD 320 million	USD 160 million	USD 3 million

Ongoing operations with milestones in 2024

CAF has generated investments in infrastructure projects associated with improving the transport sectors and promoting regional competitiveness through an integration approach. Thus, progress continues to be made in ongoing operations that contribute to sustainability, connectivity and resilience milestones in Latin America. In 2024, approximately USD 1.752 million were disbursed in the countries of Argentina, Barbados, Bolivia, Brazil, Ecuador, El Salvador, Mexico, Panama, Paraguay, Peru and Trinidad and Tobago.

Risks, opportunities and future prospects
Green bank
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Productivity and internationalization



	Reversal of the Northern Gas Pipeline (Argentina)	Incahuasi Tunnel (Bolivia)
Advance	184 kilometers of new pipelines and the reversal of four compressor plants were installed, increasing natural gas transport capacity and enabling future exports to markets such as Brazil.	To date, of the resources have been disbursed in an effort by CAF and the Plurinational State of Bolivia.
Objective	Expand natural gas transport capacity from Vaca Muerta to the provinces of central and northern Argentina.	Significantly reduce travel times between Chuquisaca and Santa Cruz through the construction of a 1,240-meter tunnel on the Monteagudo-Muyupampa-Ipati road, improving connectivity and the quality of life of the populations of the Chuquisaca Chaco, facilitating trade and regional integration between Chile, Peru, Argentina and Paraguay.
Beneficiaries	Industries, consumers and the energy sector in Argentina and Brazil benefit from the increase in gas transport capacity from Vaca Muerta.	Inhabitants, transporters and productive sectors of Chuquisaca and Santa Cruz, as well as commercial actors involved in the regional corridor.
SDG	SDG 9 Industry, innovation and infrastructure. SDG 7 Affordable and clean energy.	SDG 9 Industry, innovation and infrastructure.
Investment	USD 740 million (USD 540 million financed by CAF)	USD 31.8 million

Risks, opportunities and future prospects
Green bank
Banking on sustainable and inclusive growth
Productivity and internationalization

Productivity and internationalization

GRI 2-25, GRI 3-3

Latin America and the Caribbean have low competitiveness in global trade due, among other factors, to the lack of access to financing, especially for SMEs. CAF seeks to promote sustainable development in the region and the participation of the private sector as a means to achieve the SDGs, through financial allies, the development of the entrepreneurial capital ecosystem, the financing of projects with the participation of private companies, and strategic operations in debt and investment funds. These actions aim to improve competitiveness, facilitate access to financing for productive units and position the region as an attractive destination for investment, fostering greater productivity, competitiveness and sustainable financial markets.

Up to November 2024, a total of **USD 6.39 billion** in financing operations were approved; **42 %** of which were resources aimed at boosting development through financial partners and impact initiatives for productive sectors.

This included the promotion of a just energy transition, the financial inclusion of excluded segments, such as women entrepreneurs and SMEs, and support for the productive and digital transformation of companies, with a focus on entrepreneurship.

Agro-productive projects, Ecuador

Strategic action areas and management 2024

GRI 3-3

In CAF's productivity and internationalization agenda, two major management focal points were developed for 2024:

Promote development through financial partners

- o **Innovation and business sophistication** focused on entrepreneurship.
- o **Strengthening SMEs.**
- o **Inclusion and financial education.**

Promote impact initiatives for productive sectors

- o **Energy transition.** Strengthen sustainability by promoting renewable energy projects and transition technologies.
- o **Green financing** for infrastructure, energy, and sustainable housing.
 - Accelerate/Catalyze sustainability, promoting renewable energy projects and transition technologies to reduce the carbon footprint.
 - Promote inclusion, through digital solutions and partnerships with microfinance institutions to facilitate access for SMEs and rural communities.
 - Boost competitiveness through programs that promote internationalization and business modernization, strengthening the local economy.



Launch of the Green SMEs Program, Panama

Challenges remain in terms of scale and depth, which require scaling up resources, intensifying efforts and establishing rigorous monitoring to ensure the sustainable success of corporate operations and support programs.



Empowering development through financial partners

The intervention model aims to expand resource mobilization through instruments that maximize their capacity to generate value. It is proposed to promote indirect operations with regional financial partners to:

1. Strengthening SMEs through access to capital and digital transformation.
2. Financial inclusion and education for traditionally excluded sectors such as women and vulnerable communities.
3. Business and technological innovation by promoting high-impact entrepreneurship and regional open collaboration.

Risks, opportunities and future prospects
Green bank
Banking on sustainable and inclusive growth
Productivity and internationalization

Strengthening SMEs

CAF implements strategies to strengthen the productivity and resilience of SMEs, recognizing them as key actors in the generation of employment, social inclusion and economic growth in Latin America and the Caribbean. Given their fundamental role in the dynamization of local markets, priority is given to the creation of an environment that facilitates their access to financing, innovation and new opportunities, ensuring their competitiveness and contribution to the sustainable development of the region.

Work with financial partners resulted in new approvals of USD 360 million, with eight entities in several countries in the region, aimed at supporting the sustainability and SME agenda. In addition, credit lines for infrastructure financing in Panama and housing in Peru.

Financial support for productive sectors

Objective: Facilitate access to financing for SMEs in key sectors such as agriculture, promoting their development and competitiveness.

Key Operation:

- Revolving line of credit with Banco Sudameris (Paraguay) for **USD 35 million**, with a focus on agricultural SMEs and issued in guaranies to strengthen the Paraguayan market.

Promotion of nature-based solutions and environmental sustainability

Objective: Promote the adoption of innovative solutions that integrate a clean economy with biodiversity, resource conservation, and ecotourism within the productive sector.

Key Operation:

- Revolving line of credit with BBVA Colombia for **USD 150 million**, aimed at SMEs in biodiversity, water, forestry, and ecotourism projects.
- CAF and the Green Climate Fund launched the SME program.
- Green LAC (Chile, Ecuador, Panama, and Peru). Seeks to support SMEs in their transition toward sustainable practices, thus contributing to the reduction of GHG emissions in the region.

Strengthening production chains and business liquidity

Objective: Guarantee the stability of value chains and improve the liquidity of the SMEs that participate in them.

Key Operation:

- Credit line in favor of Pronaca (Ecuador) for **USD 30 million** to advance invoices receivable, ensuring liquidity for SME suppliers.



CAF acts as a financial catalyst, facilitating private investment in high-impact sectors such as the bioeconomy and support for SMEs. These initiatives are part of a coordinated regional strategy that takes into account the particularities of the different economic actors.



Risks, opportunities and future prospects
Green bank
Banking on sustainable and inclusive growth
Productivity and internationalization

Inclusion and financial education

Financial education is key to economic inclusion in Latin America and the Caribbean, helping people to manage their savings, investments and debts. However, around 50 % of adults still lack access to formal financial services, highlighting the need for effective measures. In 2023, surveys were conducted in several countries to assess financial skills and guide public policy. In 2024, efforts are focused on technological innovation and inclusive finance to expand access to these services.

Technological innovation for financial inclusion



Objective: Expand access to and use of financial services through technological solutions.



Financial Inclusion Laboratory (LIF) - 6th edition: Selection of **8 companies** with artificial intelligence-based technologies to improve financial inclusion in the region.

Inclusive financing for key sectors



Objective: Facilitate credit to small producers and vulnerable communities, with a focus on strategic sectors such as agriculture.



Sovereign loan to BANADESA (Honduras): USD 40 million allocated to small coffee producers, benefiting **3,200 people**, **48 %** of whom are women.

Business and technological innovation and sophistication

CAF reaffirms its commitment to technological and business development in Latin America and the Caribbean, promoting innovation ecosystems that enhance competitiveness and sustainability. Through support for startups, collaborative projects and capital funds, it fosters the growth of strategic sectors with high impact.



Creation of open innovation and regional collaboration centers

Objective: Strengthen innovation ecosystems by connecting public-private actors, startups, and collaborative networks.

Key Operation:

- Approval of **USD 200,000** for the HUB STARTUP LATAM program, which will establish an open innovation center in Vitacura, Chile, with regional reach.



Investment in startups with high growth potential

Objective: Finance innovative emerging companies and startups through venture capital funds in technology, health, education, and sustainability.

Key Operations:

- USD 5 million** investment in the “Canary IV” fund, which supports high-impact technology startups in Brazil and Latin America.
- USD 5 million investment in the Capital Fund for Innovative Entrepreneurship (FCEI) in Peru, with a focus on strategic sectors. **USD 30 million** line of credit in favor of Pronaca (Ecuador) to anticipate receivables, ensuring liquidity for SME suppliers.

Risks, opportunities and future prospects
Green bank
Banking on sustainable and inclusive growth
Productivity and internationalization

Looking to the future

In 2025, CAF will continue to promote the sustainable development of SMEs through:

- Transition programs towards sustainable economies, integrating green practices in energy, agriculture and biodiversity such as the LAC Green SME Program, in partnership with the Green Climate Fund.
- Access to affordable and specialized finance, driving innovation and competitiveness in global markets.
- Capacity building for the reduction of technological gaps, driving the transition to cleaner production models, digitalization and the circular economy.

Promote impact initiatives for the productive sectors

The presence in the region was strengthened in response to financial needs linked to sustainable development, prioritizing operations with tangible impacts that drive the transformation of productive systems and generate conditions for sustained growth.

The private sector saw an increase in financing for projects aimed at the energy transition, as well as infrastructure, energy and sustainable housing.

Energy transition

In 2024, CAF reaffirmed its commitment to sustainable development and climate action in Latin America and the Caribbean, promoting strategic operations to strengthen the energy transition and foster economic models that are resilient to climate change. Among other operations, we highlight a **USD 200 million** revolving credit line for Badesul (Brazil) for renewable energy, energy efficiency and infrastructure reconstruction projects; a **USD 150 million** financing operation for the construction of a green hydrogen plant in Alto dos Ventos (also in Brazil), and the approval of **USD 75 million** for funds such as The Reforestation Fund I, Vinci Crédito Infra Institucional and Patria Infra V, with impacts on carbon capture and energy transition.

Climate Change Mitigation and Adaptation

Objective: Reduce emissions and strengthen climate resilience with sustainable infrastructure and nature-based solutions.

Key Operation: Approval of **USD 75 million** in collaboration with international funds, The Reforestation Fund I, Vinci Crédito Infra Institucional, and Patria Infra V.

Promotion of renewable energy and energy efficiency

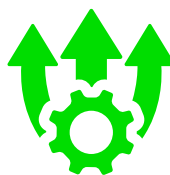
Objective: Accelerate the energy transition with renewable generation and efficiency projects, in addition to rebuilding resilient infrastructure.

Key Operation: **USD 200 million** revolving credit line for Badesul, Brazil, for renewable energy, energy efficiency, and flood reconstruction.

Development of sustainable value chains

Objective: Strengthen circular models and promote decarbonization, energy efficiency, and the responsible use of natural resources.

Key Operation: **USD 150 million** financing for Acciona in Brazil, for the installation of a green hydrogen plant in Alto dos Ventos.



Risks, opportunities and future prospects
Green bank
Banking on sustainable and inclusive growth
Productivity and internationalization

Sustainable housing and infrastructure

CAF seeks to position itself as a vehicle for attracting and channelling resources to promote sustainable development in the region. The intervention model is aimed at expanding the mobilization of resources through instruments that maximize their capacity to generate value. Systematically, strategic operations are prioritized, risk management measures are established and co-financing is leveraged to expand the financial additionality of projects.

It is proposed to promote indirect operations with regional financial partners to:



Increased coverage in strategic sectors

Objective: Expand the mobilization of resources for key sectors.

Key Operation: New approvals for **USD 360 million** with 8 development entities in the region, including 5 new clients.



Sustainable and inclusive growth

Objective: Support access to sustainable housing and reduce the housing deficit in the region.

Key Operation: **USD 50 million** revolving credit line with the Mivivienda Fund (Peru) to finance the Mivivienda Verde program.



Green financing and financial innovation

Objective: Promote sustainable infrastructure and energy projects through innovative financing.

Key Operation: **USD 20 million** revolving credit line with CIFI (Panama) for medium-scale infrastructure and energy.

- First purchase of a green bond by CAF, benefiting energy projects in Brazil and the Dominican Republic with 70 MW of installed capacity and a reduction of 102 thousand tons of CO₂ equivalent.



Looking to the future

CAF reaffirmed the commitment to the development of a regional voluntary carbon market, nature-based solutions and innovative technologies that accelerate the energy transition in our productive apparatus.

CAF wants to be a key player in the financial transformation of the region in favour of companies, connecting resources, opportunities and development potential to accelerate the transition towards a more sustainable and inclusive economy. To this end, the focus on investments with climate, economic and social impact will be maintained, now with an emphasis on sustainable tourism, agribusiness, the digital economy and the development of sustainable mining and strategic minerals for the energy transition.

- Corporate governance
- Access to information and institutional transparency
- Ethics, compliance and risk management
- Auditing practices at CAF
- Environmental and social safeguards
- Environmental and social grievance mechanism

Transparency and good corporate governance

GRI 2-25, GRI 3-3

CAF Headquarters,
Caracas, Venezuela

- Corporate governance
- Access to information and institutional transparency
- Ethics, compliance and risk management
- Auditing practices at CAF
- Environmental and social safeguards
- Environmental and social grievance mechanism

Ethics, transparency and efficiency in decision-making are fundamental pillars of CAF's management. Over time, these principles have been key to strengthening trust with its stakeholders and guaranteeing a positive impact on shareholder countries through its products and services.

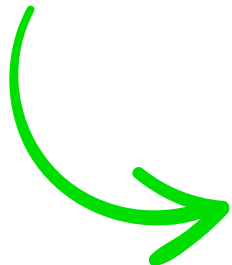
Transparency and good corporate governance are consolidated as essential mechanisms for the development of CAF's internal capacities and, as a financial institution, to materialize the objectives of its Corporate Strategy.



Banderas Plaza at
CAF Headquarters,
Venezuela

Corporate governance

GRI 2-9



CAF has established itself as a benchmark in corporate governance in Latin America, promoting the adoption of good practices through continuous work and alliances with various institutions. This work contributes to responsible competitiveness in public and private companies in the region, in addition to strengthening the regulatory and supervisory systems in the banking, insurance, pension and stock market sectors.

Today, it has acquired a wealth of knowledge and experience, reflected in its institutional strength and solid corporate governance structure.

- Corporate governance**
- Access to information and institutional transparency
 - Ethics, compliance and risk management
 - Auditing practices at CAF
 - Environmental and social safeguards
 - Environmental and social grievance mechanism

Corporate governance structure

GRI 2-9

CAF, as a multilateral financial institution, is a legal entity under public international law, created in 1968 by the Constitutive Agreement concluded as an international treaty.

This Articles of Association regulate all the main aspects of our corporate governance.

The specific functions and characteristics of each of our collegiate bodies and subsidiary bodies are set out in CAF's Articles of Association and General Regulations.

CAF building in Montevideo, Uruguay

Collegiate and subsidiary bodies in CAF's corporate governance

GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-14

The Shareholders' Meeting, as CAF's supreme governing body, meets annually to elect the members of the Board of Directors for a period of three years. It is made up of the shareholders or their representatives, who meet with the quorum and under the conditions established in the Articles of Incorporation.

The Board of Directors is composed of representatives of CAF's shareholders, elected by the Series "A", "B" and "C" shareholders, in accordance with Article 24 of the Articles of Incorporation. According to Article 23 of the Articles of Incorporation, directors are elected for a term of three years, or for the corresponding period of time as stipulated in paragraph D of Article 24, with the possibility of re-election.

Corporate governance

Access to information and institutional transparency

Ethics, compliance and risk management

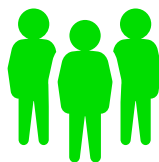
Auditing practices at CAF

Environmental and social safeguards

Environmental and social grievance mechanism

Each director has a personal deputy, selected under the same criteria and for the same period as the incumbent.

The Board of Directors is composed of ministers of economy, finance and finance ministers, central bank presidents and economic authorities at the highest level, appointed in their respective countries in accordance with their political systems and sovereignty. CAF has no direct influence over the appointment of directors or the criteria for diversity in its composition.



COMPOSITION OF CAF'S BOARD OF DIRECTORS UNTIL 31 JANUARY 2024

GRI 2-9

Composition for the period 2023-2026

A

Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay and Venezuela.

B

Bolivia, Colombia, Ecuador, Peru, Venezuela and one (1) director for Ecuadorian private banking, with an alternate from Peruvian private banking.

C

Spain, Mexico, Barbados and one (1) alternate director from another "C" Series shareholder.

CAF's executive president, elected by the Board of Directors, directs and manages the institution. His management encompasses the mission, transversal and enabling strategic action, integrating social, environmental and financial variables in all operations. Together, all technical, human, technological and financial resources are managed and leveraged to maximize the impact on the sustainable development of the countries.

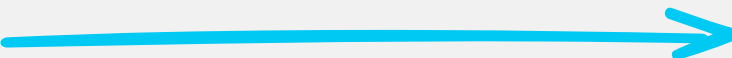
The chairman of the Board of Directors and of the Assembly is elected annually by the Board through a rotating election procedure. No director, including the chairman of the Board, is an executive of CAF. **GRI 2-11**

The Audit Committee (AC) is made up of all the regular directors and operates as a subsidiary body of corporate governance. It is chaired by the chairman of the Board of Directors. This committee was created to enable efficient and reliable communication with management for the knowledge of CAF's audit process.

Since February 2022, the Technical Committee of the Board of Directors (CTD) operates as a subsidiary body with the objective of providing technical support to CAF's Board of Directors to facilitate information, analysis and deliberation in decision-making. The CTD is exclusively informative, does not address issues that fall under the competence of any other subsidiary body of CAF, and is composed of delegates from each director.

The CTD is governed by rules of procedure approved by the Board of Directors, interacting on a permanent basis with the chairman of the Board of Directors and the Management delegated to the executive president, either directly or through the General Secretariat and specific CAF officials.

CAF has advisory and support committees with a balanced representation of senior management responsibilities, which provide leadership and guidance in managing the impacts of internal activities, ensuring the quality of information and transparency of results.



Accountability and disclosure

GRI 2-12, GRI 2-13, GRI 2-24

As part of the accountability process and the disclosure of results on the progress of CAF's Corporate Strategy, Management submits regular management reports, including information on material sustainability issues. These reports are overseen by collegiate bodies and subsidiary bodies, ensuring effective and transparent monitoring.

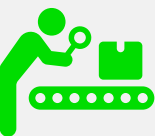


Corporate governance

- Access to information and institutional transparency
- Ethics, compliance and risk management
- Auditing practices at CAF
- Environmental and social safeguards
- Environmental and social grievance mechanism

1.

Amendment of the rules of procedure of the Audit Committee and the Technical Committee of the Board of Directors.



2.

17 meetings of the CTD, at which the budget process was reviewed prior to its presentation to the Board of Directors.



3.

Reflection sessions on governance and transparency, as well as the Guidelines for Extraordinary Short-Term Liquidity Financing.



4.

Launch of the new Collegiate Bodies portal, which includes a transparency sub-portal that displays viewers for information on Technical co-operations, Credit Approvals, Shareholding and Budget.

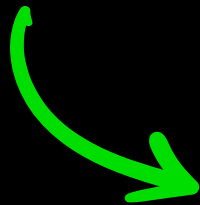


Informe de Transparencia 2024



CAF's 2024 Transparency Report and Transparency microsite

Access to information and institutional transparency



In 2024, the implementation of the Access to Information and Institutional Transparency Program - PAITI continued, whose legal framework responds to CAF's Access to Information and Institutional Transparency Policy, which allows it to comply with requests for information, as well as to provide reliable and consistent data to its members, partners and citizens of the region and the world.

The PAITI is the basis of the **enabling agenda of “Transparency and Good Corporate Governance”**, an important pillar of the CAF 2022-2026 strategy. It has three main lines of action, which are fundamental to its operation.



Axis 1

Aimed at informing and responding to **requests for information from the Collegiate Bodies** (shareholders, delegates, directors and representatives), as well as providing spaces for reflection that drive the implementation of improvements suggested by its members.



Axis 2

Aimed at complying with the **indicators of the transparency index** that respond to **international measurement** and allow the implementation of automated processes for the deployment of reliable and quality information.



Axis 3

Aimed at **responding efficiently and expeditiously to requests for information from the general public**, through specific platforms and robust mechanisms for consultation and attention. The implementation of the program has accelerated the standardization and automation of communication processes which maximizes the positive impact of all its funding operations.



Learn about CAF's Access to Information and Transparency Policy

Corporate governance

Access to information and institutional transparency

Ethics, compliance and risk management

Auditing practices at CAF

Environmental and social safeguards

Environmental and social grievance mechanism

In 2024, significant technological improvements were made, including the following:

- Incorporation of the **transparency sub-portal within the new Collegiate Bodies portal**, which displays the data viewers for operations, technical cooperation, budget and shareholding position within the Collegiate Bodies portal, allowing for more expeditious data retrieval.
- Strengthening of the **Access to Information and Institutional Transparency microsite** on CAF's website, which is public and has specialized sections that seek to respond to any user's demand for information.

Integration of operational databases for an automatic projection of the information contained in internal management systems and the web, facilitating the publication and compliance with the indicators of the international transparency measurement methodology, as well as the deployment of business information to the members of the Collegiate Bodies.

➤ Availability of **mechanisms for managing requests, complaints and claims** in order to meet information requirements and provide timely responses to the requirements of the general public (Environmental and Social Complaints Mechanism - MRAS).

➤ As part of this progress, CAF for the first time publishes on the "d-portal" - a site managed by the **International Aid Transparency Initiative (IATI)** - data on the financing of more than 150 development activities in 14 countries, totalling more than USD 5 billion. As an IATI publisher, CAF will publish and regularly update detailed and open data on its development activities using the IATI Standard, which is available to all and can help stakeholders from Governments, civil society and the private sector to track the destination of resources, as well as the impact of CAF's investments in the region.

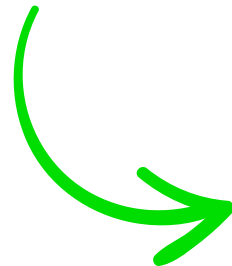
In addition, CAF joined the **"Transparency and Access to Information Network - RTA"**, an international forum for reflection and debate that brings together the main authorities in Ibero-America responsible for guaranteeing the right of access to information for their citizens.

CAF reaffirms its commitment to continue consolidating its firm steps towards transparency and access to information as indispensable areas of action for the development and progress of Latin America and the Caribbean.



Ethics, compliance and risk management

GRI 2-26, GRI 2-15, GRI 205-1, GRI 205-2, GRI 205-3



CAF has made significant progress in promoting an organizational culture based on ethics, integrity and compliance. Over the years, the commitment to act in accordance with the best ethical and regulatory practices has been maintained and made effective, promoting the principles that guide its management.

Within this framework, the actions of employees, clients, suppliers and consultants are governed by the principles of transparency, integrity, fairness, responsibility and respect. Through the Office of Ethics, Integrity and Compliance (OEIC), CAF has ensured compliance with the Code of Ethics, through established mechanisms, and the interpretation of its content.

GRI 2-26

During 2024, CAF issued normative documents complementary to the Code of Ethics, such as:

- Guidelines for the Protection of Whistleblowers and Witnesses
- Instructions for Conducting Investigations into Alleged Misconduct
- Instructions for Managing Reports of Alleged Misconduct
- Instructions for Managing Conflicts of Interest



Consequently, CAF's objective for this year was to communicate, promote and strengthen this ethical culture through the implementation of an internal communication plan that included informative content and visual educational resources to promote greater identification and participation of the staff. Likewise, the content and scope of the Code of Ethics was disseminated to customers, suppliers, consultants and the general public. Specifically, this is reflected in:

GRI 205-2

Corporate governance
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Launch of the first mandatory virtual course on the Code of Ethics, the objective of which is to disseminate and increase the ethical culture among civil servants and interns through practical cases that present the general ethical principles, standards of conduct, and established reporting guidelines.

This course had 90 % participation.

Publication of document 4 “*Ethics at CAF*” (la-etica-en-caf.pdf), disseminated internally and externally on June 13, 2024, in three languages (Spanish, English, and Portuguese).

This material compiles the precepts and spirit of the CAF Code of Ethics, aimed at **100 %** of CAF civil servants and interns.

Fraud risk management

Non-financial risks include fraud risks, which are managed by the front-line areas as part of the annual risk management cycle, with the methodological support of Corporate Risk Management.

As part of the implementation of the Internal Control Program (ICP), which aims to provide reasonable assurance on the adequate mitigation of inherent risks, tests are carried out annually to review the design and operating effectiveness of the controls implemented to mitigate both fraud risks and the other risks identified by CAF.

During the financial year 2024, the reviews performed by the Internal Control area and by the external auditors of the Corporation did not reveal any deficiencies in the implementation of the controls included in the scope of the ICP. Consequently, the reports issued conclude that CAF's system of internal control over financial reporting as at 31 December 2024 is effective, and that there is a reasonable level of assurance regarding the adequate mitigation of the assessed risks.



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Preventing prohibited practices, money laundering and terrorist financing

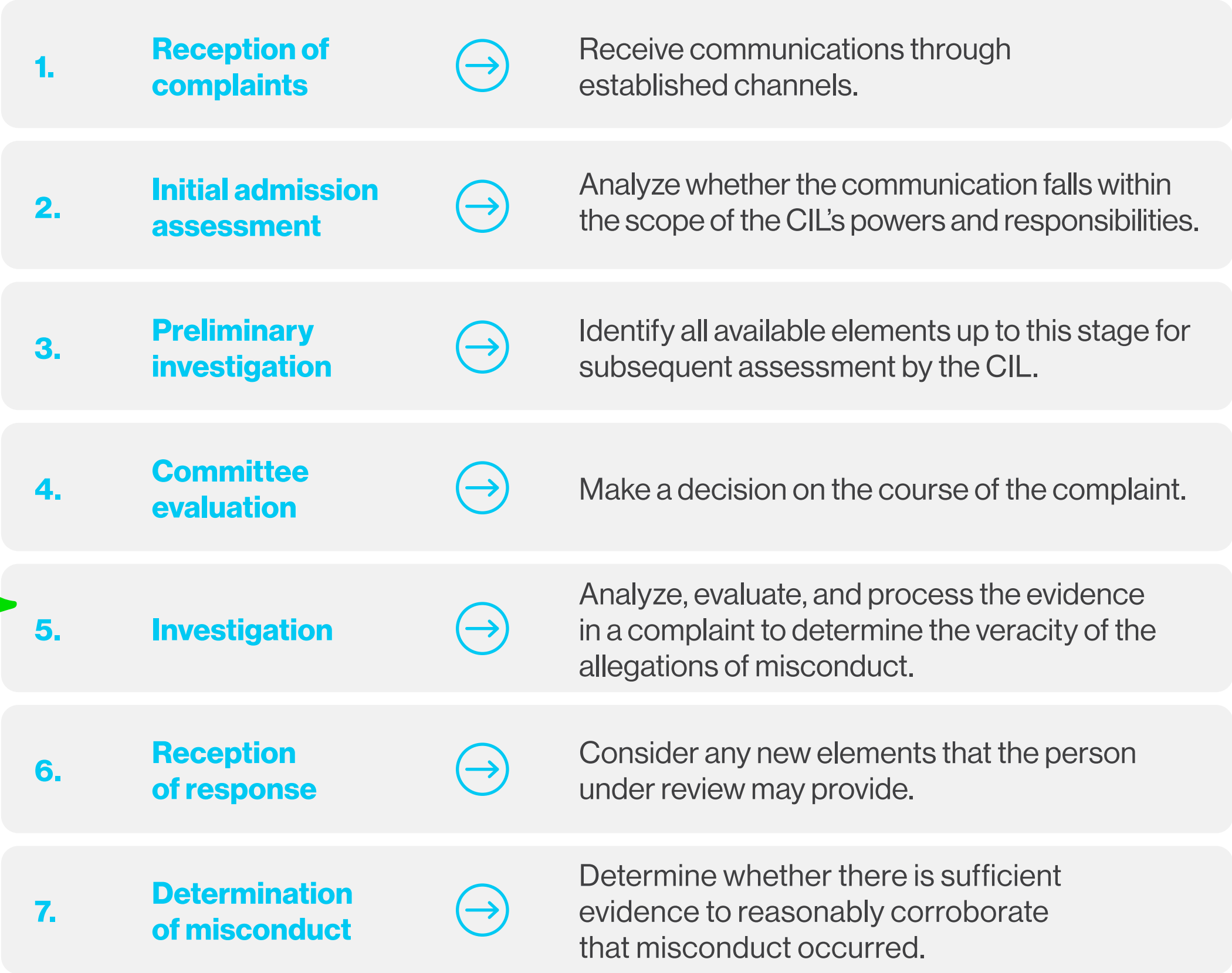
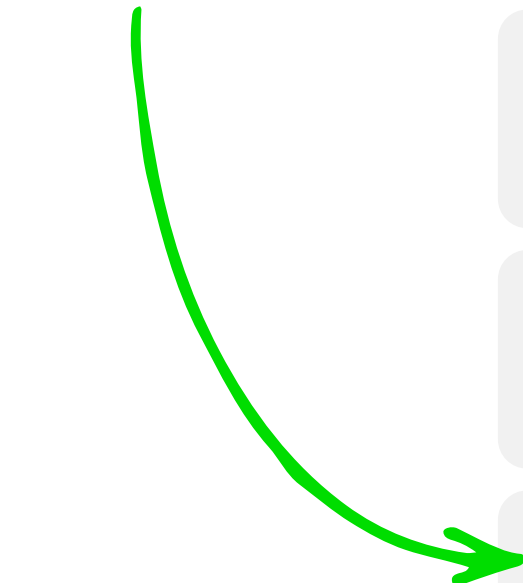
GRI 2-16, GRI 205-1, GRI 205-3, PDLA

CAF continuously reaffirms its commitment to fight against prohibited practices, terrorist financing and money laundering, as well as their predicate offences, including financial crimes, within and outside the organization. Prohibited practices include corruption, fraud, coercion, collusion, obstruction and misuse of resources; and are listed, prevented, detected, investigated and sanctioned in accordance with the provisions disclosed in the Prohibited Practices Prevention and Detection Manual.

In 2024, the Prohibited Practices Prevention and Detection Program was updated in its regulatory framework. This program, based on an efficient risk management approach, aims to identify, assess, mitigate, monitor and report in a timely manner risks arising from the potential commission of prohibited practices.

In order to comply with the guidelines set out in the complementary normative documents, CAF defined and applied the process for handling complaints of alleged misconduct,described as follows.

Complaint management process of the Labor Integrity Committee



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Environmental and social grievance mechanism



At the same time, the launch of the new CAF Whistleblower Hotline (<https://www.lineadenunciascaf.com/>), a confidential, secure, multilingual and independent platform created by CAF and managed by an operator, through which misconduct or prohibited practices can be reported, providing the option to do so anonymously. This hotline consists of web forms, local telephone lines, voicemail, email and WhatsApp.

GRI 2-26

Within the framework of the Prevention and Detection of Money Laundering and Financing of Terrorism (PDLAFT), CAF maintains the application of due diligence controls based on a risk-based approach in all its processes, as well as for clients and counterparties. PDLAFT is based on the 40 recommendations issued by the Financial Action Task Force (FATF).

During 2024, the scope and stringency of these controls was expanded in the process of engaging or purchasing from relevant suppliers; four enhanced due diligences of relevant suppliers were carried out during this period.

In addition, PDLAFT clauses were included in contracts with customers and counterparties to minimise the effects associated with the risks that may arise from these acts.

The 2024 milestones in the fight against prohibited practices, money laundering and terrorist financing also include:

On April 19, 2024, CAF issued guidelines for conducting individual and mass consultations in the SafeWatch consultation system.

Acquisition of the World Check One and RepRisk systems to strengthen its due diligence processes regarding PDLAFT and Prevention of Prohibited Practices.

Participation in the reaccreditation process of the Green Climate Fund (GCF) and the Adaption Fund (AF).

The OEIC, through the Technical Secretariat of the Prohibited Practices Committee, has carried out evaluations and analyses of communications related to possible allegations of prohibited practices that this body received during 2024.



Activities carried out in the area of prevention and detection of money laundering and terrorist financing



205-1

Money laundering risk analysis of operations
Meeting the requirements of counterparties
Advising on customer due diligence
Advice on the credit process
Internal requirements management
Advice on fundraising
Enhanced due diligence
Other activities (including monitoring of possible prohibited practices)

Total

2022	2023	2024
124	135	124
101	96	202
98	91	109
15	21	73
56	60	273
39	18	15
20	29	44
37	137	114
490	587	954

The Prohibited Practices Committee, chaired by the executive vice president, is responsible for investigating complaints received within its scope. If any violation of the standards in our **Prohibited Practices Prevention and Detection Manual**, is identified, CAF may temporarily disqualify any company, business, corporation, entity or individual involved in any procurement process or impose sanctions on officials, and ultimately raise the complaint and cooperate with the relevant authorities in accordance with the laws of the country where the facts occur.

With regard to compliance measures, given CAF's nature as an institution subject to the Articles of Agreement, it is not a foreign bank, nor is it regulated by the banking laws in force in any of the shareholder countries. Nor is CAF subject to inspection by any banking or other authority in the territories of the shareholder countries. However, it is subject to periodic internal audit reviews (at least every two years) covering the scope of its ethics, LAFT and Prohibited Practices programs. **GRI 205-3**



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Conflicts of interest

In accordance with the Code of Ethics, all CAF officials are responsible for reporting potential conflicts of interest. In all instances, personal interests are prevented from interfering with decisions that enable CAF to fulfil its duties and obligations as a multilateral financial institution.

In 2024, the Instructions for the Management of Conflicts of Interest were published, with the purpose of establishing guidelines to ensure the proper management of such conflicts in CAF. Likewise, the Guide for Managing Conflicts of Interest in the Relationship with Bidders in the Framework of Public and Private Competitive Tenders was prepared, aimed at guiding the actions of the staff who interact with bidders in private and public tenders, before, during and after the process, and while the relationship with CAF's suppliers continues.

Through the Declaration System, all officials were asked to register their information, as well as that of their family members, about their investments and directorships in other entities, in order to identify and prevent potential conflicts of interest early and continuously.

Throughout 2024, **10 advisories** related to conflicts of interest were to CAF employees, three of them for participation on boards of directors. In addition, through the Ethics in CAF program, 3 awareness-raising videos were produced and disseminated to all employees, with the aim of reinforcing the culture and knowledge necessary to know how to properly manage conflicts of interest.



Internal control

DGR-1

CAF has an Internal Control System based on the three-line model, which defines roles and responsibilities in risk management, in order to implement effective governance and address all possible risks to which it is or may be exposed; this includes both financial risks², non-financial risks³, and within the latter, risks associated with environmental, social and governance issues.

The three lines are independent of each other and participate in a differentiated and coordinated manner in the effective management of the risks to which the Institution is exposed. The model is based on value creation and forward-looking risk management.

This model allows for the differentiated and coordinated interaction of its three lines, guaranteeing their independence and the specific responsibilities assigned to the following areas:

- Business Units and Support Units. Responsible for operational management and implementation of corrective actions to mitigate the impact of risks.
- Corporate Risk Management. Supervises and controls CAF's comprehensive risk management.
- Internal Audit. Responsible for objectively and independently verifying the effectiveness and efficiency of CAF's comprehensive risk management, control, governance and compliance framework.

2. Credit, market, liquidity, ALM and strategic balance sheet structure.
3. Reputational, fiduciary, operational (including fraud), technology, legal and compliance.

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Within the framework of the Corporation's risk management cycle, the first line is responsible for identifying and assessing risks, as well as defining the most appropriate mitigation mechanisms. To this end, it has the methodological support and supervision of the second line, which has the function of guiding and assisting the first line in the correct application of the methodology of the Corporation's Operational Risk Management System, ensuring the consistency, soundness, efficiency and traceability of the risk management process.

Together, these areas ensure that risk controls maintain adequate and sufficient coverage.

During 2024, innovation initiatives were implemented with the Internal Control Program (ICP), optimising the efficiency and effectiveness of management and contributing to the fulfilment of objectives in a more secure and controlled manner. **The main initiatives include:**



418-1

By 2025, CAF will continue to develop and promote innovation management in all domains of the Internal Control System, having as its main objective the effectiveness and efficiency of its processes, and strengthening the culture of risk and internal control.

CAF increased its level of privacy maturity through reinforcement visits to country offices and CAF areas, including training and awareness workshops, risk assessments and participation in **personal data processing projects**. Work was carried out with Legal Consultancy in the mapping and analysis of personal data protection regulations in CAF shareholder countries to strengthen the internal regulations in force.

- Corporate governance
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- Environmental and social grievance mechanism



Business continuity management system

SGCN-1

As part of Internal Control, CAF has a Business Continuity Management System (BCMS), certified for the ninth consecutive year by the British Standard Institute under the ISO 22301 Security and Resilience standard. This system guarantees the operability of critical

processes in the event of any potential interruption scenario.

During 2024, crisis management and business continuity capabilities were strengthened. **Highlights of activities in this area include:**

SGCN Highlights

	2022	2023	2024
Audits carried out	2	1	1
Disruption risks managed	0	0	2
Materialized disruption incidents	0	0	5
Officials who are part of the SGCN	150	132	137
Officials trained in the NCMS	737	132	137
New officials trained in the NCMS	118	88	157
Strengthening Crisis Management - Offices Visited	N/A	2	6

Transparency and good corporate governance

- Corporate governance
- Access to information and institutional transparency
- Auditing practices at CAF
- Environmental and social safeguards
- Environmental and social grievance mechanism



In 2024, CAF strengthened its crisis management and business continuity. The initiative to strengthen crisis management in country offices was consolidated, integrating key areas to manage emerging risks. A Crisis Management Action Framework was developed and visits were made to several offices to adapt it to their realities.

A risk analysis was also conducted on the SAP HEC cloud platform, identifying and mitigating key risks. To strengthen the risk culture and information dissemination, the Awareness Program was reinforced. In addition, support was provided for the Migration of the Contingency Data Centre to the Azure cloud, ensuring the effectiveness of recovery strategies.

Risk identification and monitoring

MARKET AND LIQUIDITY RISK

In 2024, online monitoring and control of the risks associated with the management of the portfolio of liquid assets and financial derivatives continued, led by the Market Risk Coordination and audited by external firms such as E&Y and Deloitte. Within the framework of these actions, the market risk measurement methodology (Value-at-Risk) was strengthened, integrating a risk appetite model and using specialized tools such as Bloomberg-Port Enterprise and PowerBI. Likewise, ESG investments were managed, reaching an approximate value of **USD 200 million.**

OPERATIONAL RISK

In 2024, the regulatory framework and tools for operational risk management were developed and continuously improved, updating the corporate risk map and the risk, cause, and control maps of the Internal Control Program processes. Additionally, KRIS indicators for critical risks and a methodology for monitoring operational risks in infrastructure projects were defined and implemented. The DRMOCI provided specialized services to identify, evaluate, mitigate, and monitor operational risks, ensuring CAF's operational efficiency and stability.

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Auditing practices at CAF

GRI 2-24

CAF's General Audit Office plays an essential role in the protection of the institution's assets and interests, ensuring the existence, dissemination and compliance with established regulations. In 2024, a strategic approach was promoted that strengthened alignment with the objectives of the Corporate Strategy.

Key results of 2024:

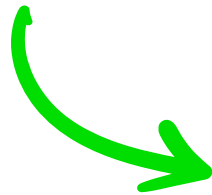
- Execution of 100 % of the Audit Plan, providing independent assurance and advice to strengthen information management and facilitate decision-making based on sustainability, transparency and corporate governance practices.
- Product diversification was successfully implemented, extending the coverage of processes, with a primary focus on business and cross-cutting material issues.
 - The implementation of the Automated Audit model was prioritized, optimizing processes and strengthening the Advisory work, with the aim of adding value and improving CAF's operations.
- CAF's General Audit Plan 2025 was unanimously approved by the Audit Committee, which under the new regulations that govern it is fully representative of the Board of Directors.

It includes seven (7) auditable entities aligned with CAF's Strategic Plan:

Auditable entities 2025

Loan and equity investment portfolio	
Alliance, mobilization, and resource management	
Governance	
Support management	
Transparency	
Financial management	
Country offices	

Environmental and social safeguards



CAF ensures that in all the Credit operations it finances, adequate and timely environmental and social risk management is carried out, including: a preliminary classification of the risk level of the operation, according to the type of operation and the sensitivity of the environment; a due diligence that verifies compliance with the requirements established in the Environmental and Social Safeguards (ESS) and, as a result, the design of an Action Plan with the required mitigation measures.

The **Environmental and Social Assessment and Monitoring Coordination** develops these actions while the **Environmental, Social and Climate Risk Unit** supports the results of the process with its verification. The results of this process of environmental and social risk management in lending operations are examined, among other matters, during the credit assessment process by



the **Credit and Investment Committee**, which is headed by a C-level committee that, among other things, has the power to make decisions on high-risk operations. This promotes the highest standards in environmental and social management. Learn more about **the types of CAF safeguards** and their requirements at Environmental guidelines and safeguards.

CAF, through the application of Environmental and Social Safeguards (SAS), seeks to ensure that its financial operations comply with the highest environmental and social standards. This is aimed at strengthening the competitiveness of economic sectors, reducing social gaps, curbing environmental deterioration, boosting economic growth, improving the quality of life of communities and promoting climate change mitigation and adaptation.

Tomebamba River, Ecuador

Corporate governance
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The implementation of Environmental and Social Safeguards is geared towards:

Prevent, mitigate, and/or compensate for adverse impacts on the population and the environment.



Consider climate risk at the level of each project.



Promote stakeholder involvement through public information and participation.



Recognize, respect, enhance, promote the protection of, and prevent impacts on the region's cultural heritage resources.



Promote the sustainable use of natural resources and ecosystem services.



Avoid and minimize negative impacts on human health, biodiversity, and ecosystems through pollution prevention.



Conserve biological diversity and natural habitats.



Learn more about the Environmental and Social Risk Rating of Operations



CAF ensures compliance with the environmental and social regulatory framework in force in the country where the projects are developed, in accordance with the provisions of the SAS. In this regard, a technical-administrative process has been developed and implemented for the management of environmental and social risks (ESR) linked to the stages of Credit operations.

The SAR management process incorporates a number of specialised methodologies and tools that enable to:

- verify that the operations to be financed are aligned with ethical, environmental, social and governance principles to ensure the proper use of the funds provided by CAF.
- categorize the level of environmental, social and climate risk of operations.
- activate the relevant SAS for each project.
- design and implement an action plan with the required mitigation measures, according to the risk level of the operation.
- continuously monitor SAR performance and adjust action plans throughout [the project lifecycle](#).
- assess the financial exposure of the portfolio of operations to the physical risks arising from climate change.



Corporate governance

Access to information and institutional transparency

Ethics, compliance and risk management

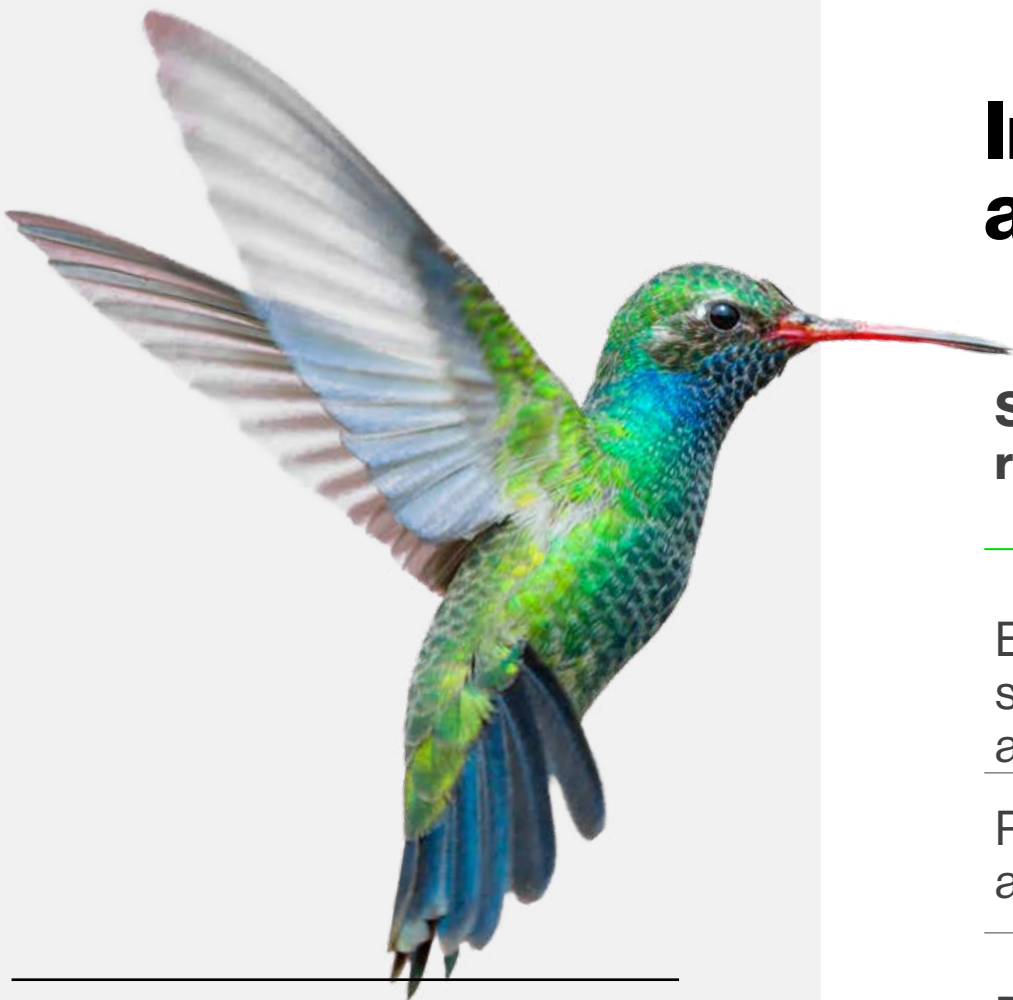
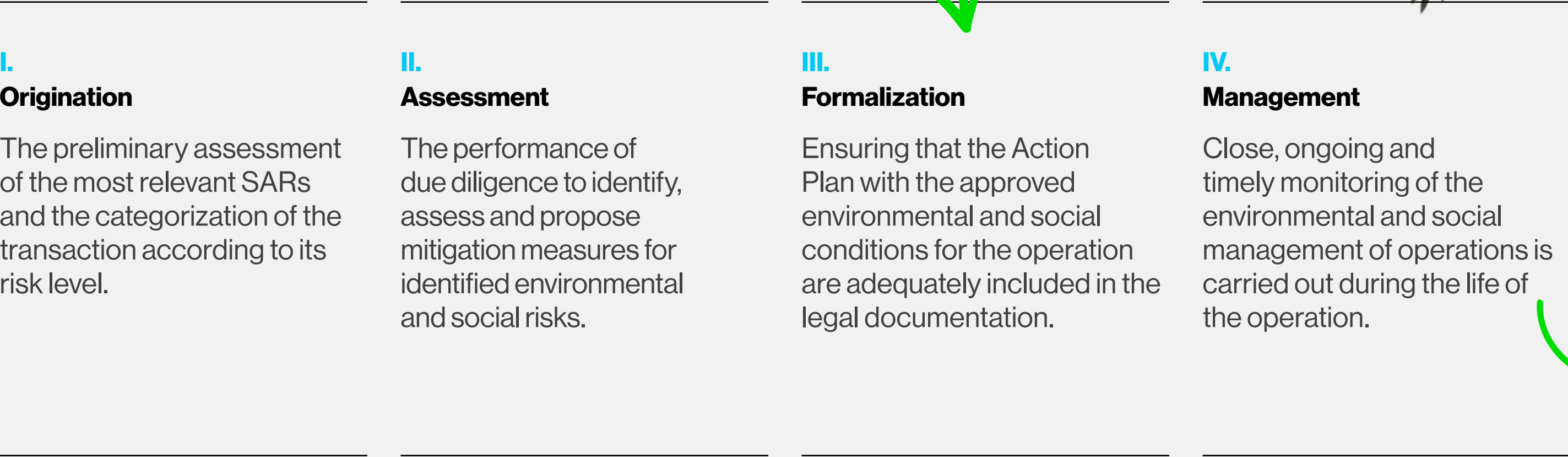
Auditing practices at CAF

Environmental and social safeguards

Environmental and social grievance mechanism

Environmental and social risk management is the primary responsibility of the borrowers, who must carry out environmental and social assessments of the projects financed and propose preventive, mitigation or compensatory measures according to the magnitude and nature of the risks and impacts identified.

The management of environmental and social risks takes place throughout the **organization's crediting process, which can be summarized in the following figure:**



Implementation of environmental and social safeguards

Specific requirements	2021	2022	2023	2024
Environmental and social monitoring actions in the year	1126	1133	1212	975
Preliminary assessments	43	46	105	93
Due diligence	54	98	131	151
Technical criteria	856	822	793	524
Follow-up missions	102	64	82	97
Sovereign Portfolio Environmental and Social Risk Reports	71	103	101	110

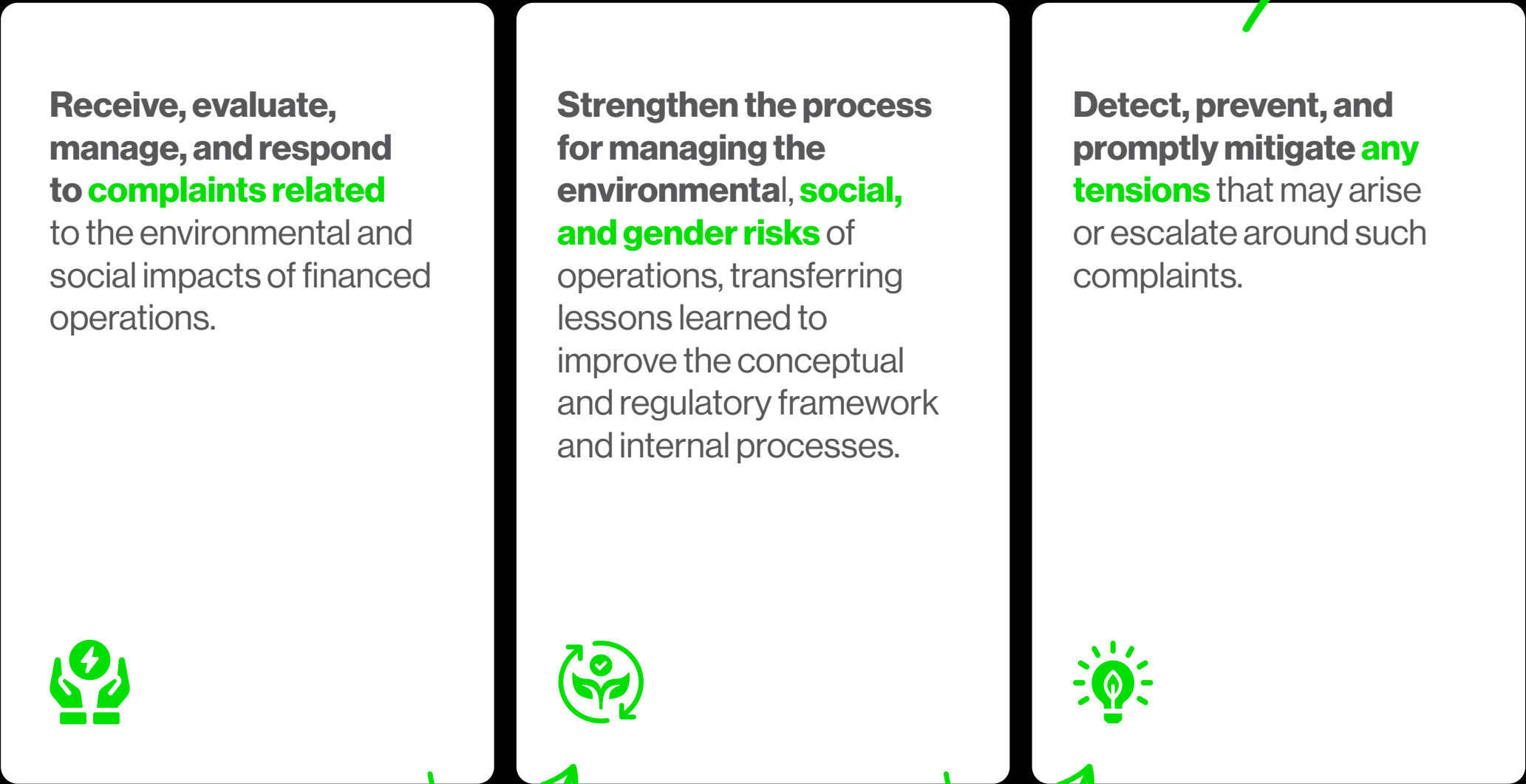
In 2024, significant progress was made in the project to review and adjust the SAS, which will be published in 2025, through various projects and consultancies that will enable CAF to strengthen the environmental and social management of operations, within the framework of the business model and the regional context in which it operates.

Environmental and social grievance mechanism

The Environmental and Social Grievance Mechanism (ESM) is an extra-judicial space that provides a friendly, additional and subsidiary recourse for individuals and communities to interact with CAF in relation to the environmental and social aspects of bank-financed operations.

The purpose of the ESM is to address and manage complaints or concerns from individuals and communities about potential negative impacts arising from CAF's operations. It also seeks to foster effective relationships and mutual trust with communities and other stakeholders involved in or affected by projects.

MRAS objectives



2024 key results:

- **The implementation of the MRAS dissemination strategy continued**, through a new portal on the institutional website, with information available in Spanish, English and Portuguese.
- **The design and implementation of a Complaints and Grievance Mechanism (CRM) was initiated at the project level.** Workshops were also planned with executing agencies to generate and strengthen the necessary capacities to ensure the success and sustainability of the MAQR implemented in each operation.
- **Thirteen (13) complaints related to development programs were filed;** these complaints were diligently addressed during the same period. In addition, lessons learned were identified and best practices were implemented to improve the environmental and social performance of operations.
- **In 2025, the “Guide for the Design and Implementation of MAQR” will be published**, which will include support materials for retaliation prevention, conflict resolution and a responsible referral protocol for handling complaints related to gender-based violence.

Risks, opportunities and future prospects
Environmental sustainability
Solvency and financial sustainability
Talent and organizational health
Digital transformation

Building the future: internal management as a pillar of CAF's sustainability

Risks, opportunities and future prospects
Environmental sustainability
Solvency and financial sustainability
Talent and organizational health
Digital transformation



CAF implements initiatives in areas such as financial sustainability, digital transformation, human talent development and good governance, and internal environmental management, to accompany its vision of a green bank with a sustainable internal operation. With this, CAF is committed to strengthening its operational and strategic structure, guaranteeing its long-term stability and its capacity to meet the needs of shareholder countries.



Risks, opportunities and future prospects

GRI 3-3

Risks and opportunities

CAF intensifies its efforts in transparency and good corporate governance, adopting practices aligned with international standards. Its strategic positioning has evolved with new adhesions and dissemination strategies, such as the Region Brand and COP16. In the area of human talent, the competitiveness of the market drives training, labor welfare and gender equality initiatives. Likewise, digital transformation represents a challenge and an opportunity, addressed through the automation and digitalization of processes to improve efficiency and reduce costs. In financial terms, CAF strengthens its stability with portfolio diversification, risk optimization and financing in strategic sectors.

In this context, CAF manages the risks that could be linked to the aspects mentioned above.

Future perspectives

CAF will continue to be a driver of sustainable development in Latin America and the Caribbean, adapting to global changes.



It will improve its financial stability using innovative tools and facilitate access to capital markets, developing strategies to attract responsible investments.

In its internal structure, it will promote a leadership model, modernize talent management, and foster a customer-centric culture.

Digital transformation will continue to be a priority, updating credit systems, using advanced analytics, and training in artificial intelligence and cybersecurity.

CAF will also expand its presence in the region, incorporating new countries and opening offices in the Caribbean and Central America, while strengthening alliances with global partners.

It will promote new financial tools, such as thematic bonds and sovereign loans related to climate and social objectives, diversifying its financing sources and consolidating its leadership in sustainable development.

Regarding transparency and good governance, it will improve its institutional portal, automate important processes, and **periodically publish** its Transparency Report.

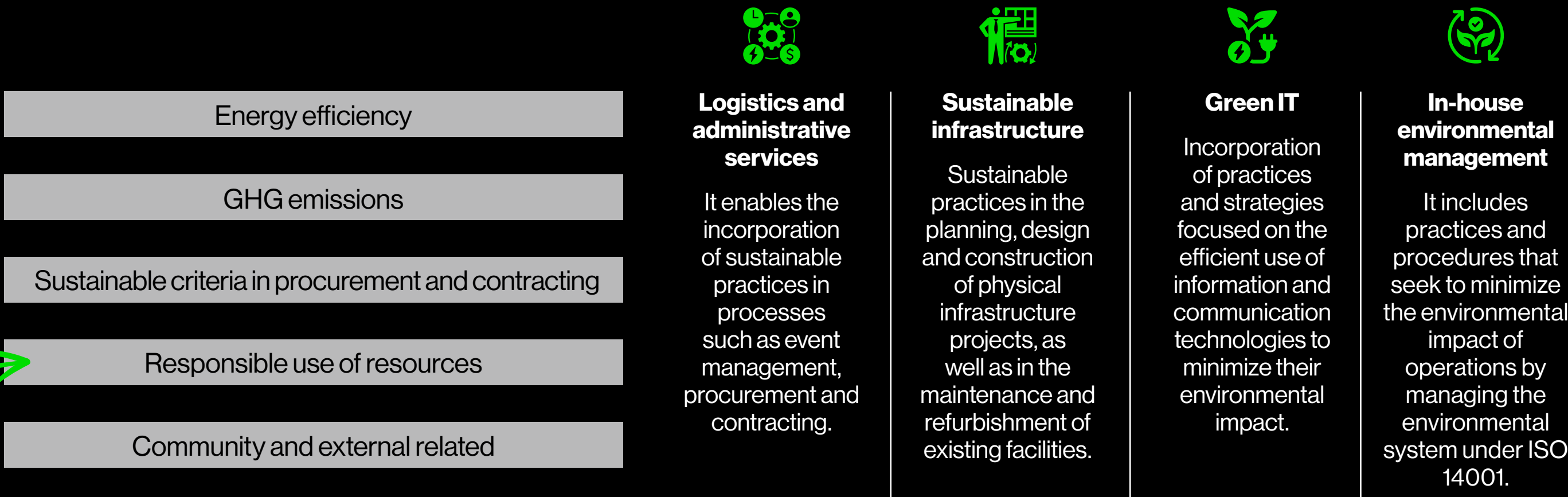
Environmental sustainability

Environmental sustainability and sustainable events

Environmental sustainability focuses on optimizing operations by adopting sustainable practices. This commitment highlights the interest in reducing the environmental impact of CAF's activities, promoting efficiency, the responsible use of resources and the incorporation of sustainable criteria in all internal processes.

To this end, progress is being made in implementing the corporate sustainability strategy, prioritizing the environmental pillar. The strategy encompasses four lines of action: sustainable logistics and administrative services, sustainable infrastructure, Green IT and internal environmental management. These axes are supported and matured by considering two components:

- Change management.
To strengthen and maintain a culture of sustainability.
- Measurement and reporting.
To assess the progress and maturity of embedded practices.



Change management

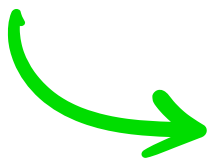
Measuring and reporting

Each axis of action contains initiatives with challenging goals for 2026 that involve the entire organization, establishing monitoring indicators to communicate progress to senior management and to review the results in the internal committees where the institution’s sustainability issues are defined and reviewed.

As part of the development and appropriation of the environmental culture in CAF, sustainable practices and criteria are adopted by employees, consultants and suppliers of goods or services, with the aim of promoting actions aimed at the care and preservation of the environment.

Some milestones to highlight in the management of the year 2024 in each of these areas are mentioned below.

Logistics and administrative services: responsible and sustainable sourcing



Through responsible and sustainable sourcing, CAF integrates environmental, social and economic criteria in the procurement of goods and services. Its objective is to minimize negative impacts, promote ethical practices in the supply chain and generate value for both the organization and its suppliers and communities.

Within this framework, key advances and milestones have been achieved that reinforce the institutional commitment to more sustainable and efficient management:

Sustainable procurement, contracting and events



Maratón Verde, Caracas, Venezuela

39 %
of the goods met environmental, social, and economic criteria, representing an increase of **11 percentage points** compared to 2023.

In the eighth edition of the **CAF Caracas Marathon**, the maximum **Evergreen certification from the Council for Responsible Sport** was maintained.

More than **4,944** logistics providers received informational materials on the institution’s purchasing and contracting criteria.

More than **100** officials were trained in sustainable purchasing and contracting through workshops, talks, and the **Corporate Course at UVCAF**.

Supplier partners in supply chain management

GRI 2-6

SUPPLIERS OF GOODS

Natural or legal person that supplies (tangible) goods required to guarantee CAF’s operations. They may be located in CAF member countries (categorized as local) or outside of them.

SERVICE AND CONSULTING PROVIDERS

Natural or legal person that offers (intangible) services required to guarantee CAF’s operations and achieve the stated objectives.They may be located in CAF member countries (categorized as local) or outside of them.



Collaboration with strategic suppliers was strengthened and material on sustainable procurement and contracting was shared in internal sessions, addressing the selection, contracting and performance evaluation phases.

In addition, exchange spaces were promoted with key suppliers to share experiences, present the corporate strategy and establish agreements aligned with the institution’s sustainability principles.

Building the future: internal management as a pillar of CAF sustainability

- Risks, opportunities and future prospects
- Environmental sustainability
- Solvency and financial sustainability
- Talent and organizational health
- Digital transformation

General indicators for purchases of goods and services

GRI 204 - 1

During 2024, a total of **USD 203.44 million** were committed for purchases of goods, services and consultancy, reflecting an increase of **86 %** compared to 2023. Of this amount, **USD 12.9 million** were earmarked for the acquisition of goods and real estate, while **USD 190.54 million** were spent on services and consultancy.

This increase is mainly explained by the growth strategy adopted by CAF, which includes the incorporation of new member countries, the natural expansion of operations, and hiring linked to infrastructure and technology projects. In addition, the acquisition of real estate, necessary refurbishments and the hiring of individual consultants were key elements to support institutional expansion and modernization plans.

Goods and services procured by CAF in 2024	2022	2023	2024
Suppliers of goods	202	305	291
% suppliers of local goods	82 %	81 %	86 %
Total amount of goods contracted (USD million)	3.52	9.04	12.9
Service providers and consultancies	790	912	1,204
% local service providers and consultancies	88 %	85 %	87 %
Total amount of services and consultancies contracted (USD million)	70.02	100.62	186.28
Ordering of goods	642	926	867
Recruitment request	1,429	1,834	2,290
Supplier registration applications	1,706	1,924	1,959

Supplier satisfaction:

During 2024, the supplier satisfaction survey was carried out, classified by type of goods purchases, contracting and works. A total of **336 responses were obtained from 1,195 suppliers invited** (26 participation rate) and a total satisfaction rate of

99.41 %.

Satisfaction levels by category



Sustainable events

During 2024, the sustainable events practice was developed, which seeks to incorporate sustainability criteria in the events organized by CAF and to measure the level of sustainability of both the service providers linked to the process and the events executed; this included:

- **Methodology** for assessing the level of sustainability associated with suppliers and the CAF event.
- **Calculation tools** that, under established parameters and based on the answers entered, automatically give the Sustainability Level of a supplier and the Sustainability Level of an executed event.

Also, during 2024, sustainable elements were gradually incorporated into the planning and execution process of corporate events, to name a few:

At the environmental axis

- Prioritize low-emission housing.
- Promote the use of glass, tableware and reusable items in the catering service.
- Encourage the use of group transfers for events.
- Promote the use of sustainable or reusable materials in the production of events.
- Use of live plants in the setting of spaces.
- Encourage hybrid events, connecting participants from different parts of the region.

In the social axis

- Promote inclusion and accessibility for all participants, transport alternatives for people with reduced mobility, diversity in event staffing.

In the economic axis

- Encourage the recruitment of local staff and suppliers to contribute to the development of communities.

Sustainable infrastructure

In 2024, the DDMIF made progress in establishing the basis for designing the “Sustainable Infrastructure” strategy, leveraged on CAF’s geographic consolidation strategy to 2030, which aims to transform CAF’s physical infrastructure under a sustainable, healthy and eco-efficient model, generating a positive impact for employees, the business and the community.

In the Sustainable Infrastructure axis of action, this strategy is developed through four programs:

Planning
and design of physical infrastructure projects.

Projects
Construction of new physical infrastructure and remodeling of existing infrastructure.

Operation
and maintenance of physical infrastructure.

Awareness
and training of supplier companies in sustainability.

During the first year of establishing the basis for the implementation of the strategy, the following results were achieved:

New infrastructure construction project, HUB Norte Panama

Execution of Phase 1 of the building’s construction, incorporating sustainable design based on the LEED standard, and conducting a building life cycle assessment (LCA) following the ISO 21930:2017 and ISO 14040 methodologies to support the selection of materials with lower environmental impact. Additionally, implementation of a pilot carbon footprint measurement based on the GHG Protocol, IPCC guidelines, and ISO 14064, which recorded a total of 14,474.18 tons CO₂e, of which carbon dioxide alone accounted for 14,161.32 tons CO₂e. A total of 936.99 tons of recyclable waste was identified, with 97 % diverted from landfills.

A total of 291.38 tons of waste were sustainably managed, reusing, donating, and recycling a significant portion, with 89 % sustainable disposal.*

Sustainable construction and demolition waste (CDW) management pilot at Headquarters and Offices

A total of 291.38 tons of waste were managed in a sustainable manner, reusing, donating and recycling a significant portion, with a sustainable disposal rate of 89 %.

Operation and maintenance program

The program guaranteed 12 % annual self-generation of energy in Bolivia and 5 % in Uruguay, contributing to energy sustainability in both countries.

Space remodeling

Remodeling of office spaces with innovative design, state-of-the-art technology, and criteria of sustainability, well-being, diversity, and accessibility.

Strategy beneficiaries

The sustainably managed materials were donated to institutions that cover social, cultural, and educational assistance, benefiting approximately 45,242 people directly and indirectly.

Planning our real estate portfolio

Development of a study to optimize CAF’s real estate portfolio with the vision of integrating sustainability criteria, optimizing the use of spaces, and improving the eco-efficiency of the properties.



* The results presented in the carbon footprint measurement correspond to preliminary estimates. These figures may be adjusted as the project progresses and as additional data and field documentation become available through to its completion. During this period, the necessary validations will be carried out to ensure their proper treatment.

Green IT

The Green IT plan avoided the emission of 253 mtCO₂e, reaching a cumulative total of 386 mtCO₂e in the 2022-2026 program, which represented a compliance of 72 %, exceeding the initial target of 62 %.

Information technologies play an essential role in corporate environmental sustainability, contributing to a more sustainable future through the efficient use of technology and data. This axis is framed in the following aspects:

Energy Efficiency

System optimization, service modernization, server virtualization, and intelligent energy management, reducing electricity consumption and the carbon footprint.

Emissions Reduction

Adoption of digital practices such as immersive virtual reality and video conferencing, which reduce the need for physical travel, and the implementation of digital solutions that reduce paper consumption, contributing to the fight against deforestation.

Technological Waste Management

Promoting the reuse of electronic devices, hardware equipment, and responsible recycling, with the support of appropriate managers and the measurement of recycling results as part of CAF's waste management.

CAF is moving forward in its transformation towards becoming a Green IT benchmark, implementing practices and strategies that minimize the environmental impact of information technologies to achieve sustainable and efficient operations.

The main actions carried out under this pillar in 2024 include the following:

Infrastructure Migration to the Cloud

The migration of Business Continuity services to the cloud was completed, closing operations at the Miami Data Center, resulting in 90.3 mtCO₂e avoided in 2024.

IT Architecture Simplification

The elimination of servers and cloud storage of all services in the country offices contributed to savings of 132 mtCO₂e in emissions during 2024.

IT Service Modernization

Telephony integration with Teams and softphone enablement.

Equipment Decommissioning

The integration of telephony with Teams enabled the decommissioning of 840 phones at workstations, generating savings of 6.4 mtCO₂e in emissions during 2024.



In-house environmental management

Since 2018, CAF has implemented the Institutional Environmental Management System (SIGA) under the ISO 14001:2015 standard as a strategy to improve its environmental performance. This system manages the environmental aspects of administrative and operational activities, promotes sustainability through the optimization of resources and fosters an environmental culture among employees, with emphasis on the management of the carbon footprint, waste and training on environmental issues.

Carbon neutrality of internal operations

GRI 305-1, 305-2, 305-3

CAF remains committed to being carbon neutral, monitoring its carbon footprint and adopting compensation mechanisms that favour both the environment and regional development. To this end, it uses a specialized system that follows international standards such as ISO 14064-1:2018, the GHG Protocol and the INTE B5:2021 standard.

Institutional carbon footprint

In 2024, the carbon footprint reached a total of 15,812.53 tonnes CO₂e. Of these emissions, 99.15 % correspond to scopes 2 and 3, while the remaining 0.85 % correspond to direct scope 1 emissions. The main source of Greenhouse Gas (GHG) emissions is air travel, which is part of scope 3.

ESTIMATED CARBON FOOTPRINT YEAR 2024

2024	Scope 1		Scope 2		Scope 3	
Carbon footprint (ton CO ₂ e)	ton CO ₂ e	%	ton CO ₂ e	%	ton CO ₂ e	%
15,812.53	134.11	0.85 %	1,217.82	7.70 %	14,460.60	91.45 %

ESTIMATED CARBON FOOTPRINT YEAR 2023

2023	Scope 1		Scope 2		Scope 3	
Carbon footprint* (ton CO ₂ e)	ton CO ₂ e	%	ton CO ₂ e	%	ton CO ₂ e	%
12,703.30	145.15	1 %	1,251.64	10 %	11,306.51	89 %



In 2024, the carbon footprint offsetting procedure was strengthened, expanding the project assessment criteria considered in the search, qualification and decision-making methodology. Maintaining the premise of selecting verified carbon credits that generate a positive social, economic and environmental impact in the region. During the first half of 2025, the 2024 carbon footprint emissions offsetting process will be carried out.

* The GHGs considered for the calculation of the carbon footprint were CO₂, CH₄ and N₂O.

** The base year for calculating the carbon footprint is 2015; this represents the first year in which the footprint was measured considering the same offices and sources.

Energy Efficiency

GRI 302-1

The institution manages and quantifies its electricity consumption according to the type of fuel used in its corporate facilities and vehicles, which are detailed below for the year 2024:

Electric power:

4,628,442.79 kWh

Diesel:

7,733.81 liters

Transport

1,601.56 liters

Corporative

Natural gas:

23,640.55 m³

Gasoline:

26,766.06 liters

Waste management

GRI 306-1, 306-2, 306-3

CAF focuses on reducing consumption and promoting the reuse and recycling of materials to manage waste responsibly. It has a comprehensive waste management procedure that establishes separation practices for different types of waste and includes monitoring the generation of recyclable and non-recyclable waste in its offices, the latter considering its impact on the carbon footprint.

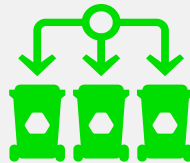
A total of 7,697 kg of non-hazardous solid waste was managed in 2024.



Environmental education and awareness

At CAF, the strengthening of environmental culture is fundamental, which is why we are working on awareness-raising activities aimed at our staff. Among the main activities carried out in 2024, the following stand out:

- Beach clean-up day in Maiquetia, Venezuela**
As part of the International Coastal Cleanup Program, in collaboration with the Viaja Verde Foundation and the Ocean Conservancy, 31 bags of waste were collected, totalling 213.81 kg of waste, mainly plastics and bottle caps.
- Sembrando Futuro reforestation day in Ecuador**
CAF joined forces with the Scouts Ecuador Foundation to carry out the “Sembrando Futuro” reforestation day in the Antisana National Park, contributing to the objective of planting 5,000 seedlings of native species in an important conservation area.
- Campaign + Recycling + Environment**
Promotes recycling from the homes of employees, taking advantage of the collection points in the cities where we operate. During 2024, 1,229.30 tonnes of waste were collected, of which 33% was made up of cardboard and paper, helping to avoid 0.60 tonnes of CO₂e emissions.



Risks, opportunities and future prospects

Environmental sustainability

Solvency and financial sustainability

Talent and organizational health

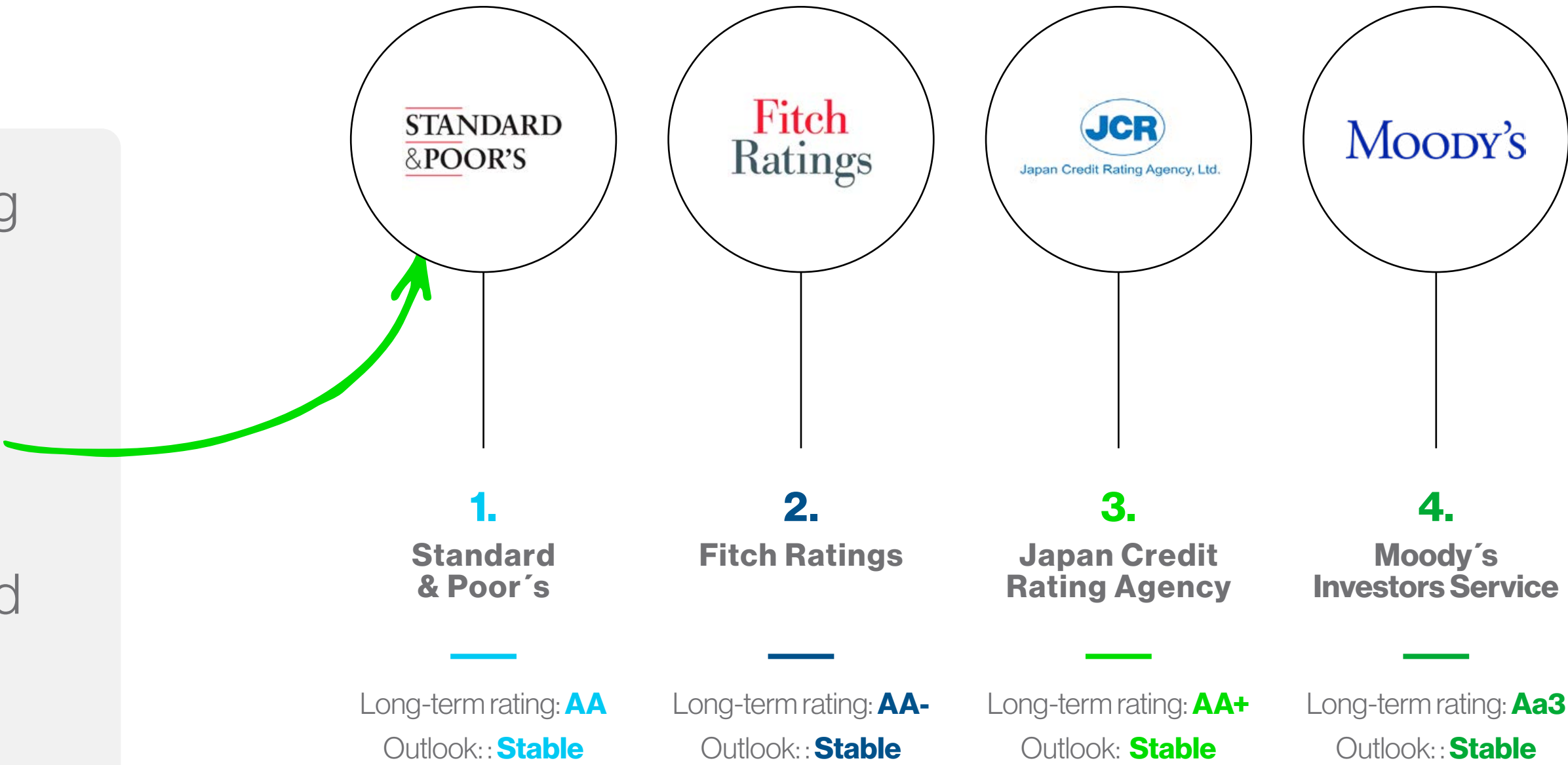
Digital transformation

Solvency and financial sustainability

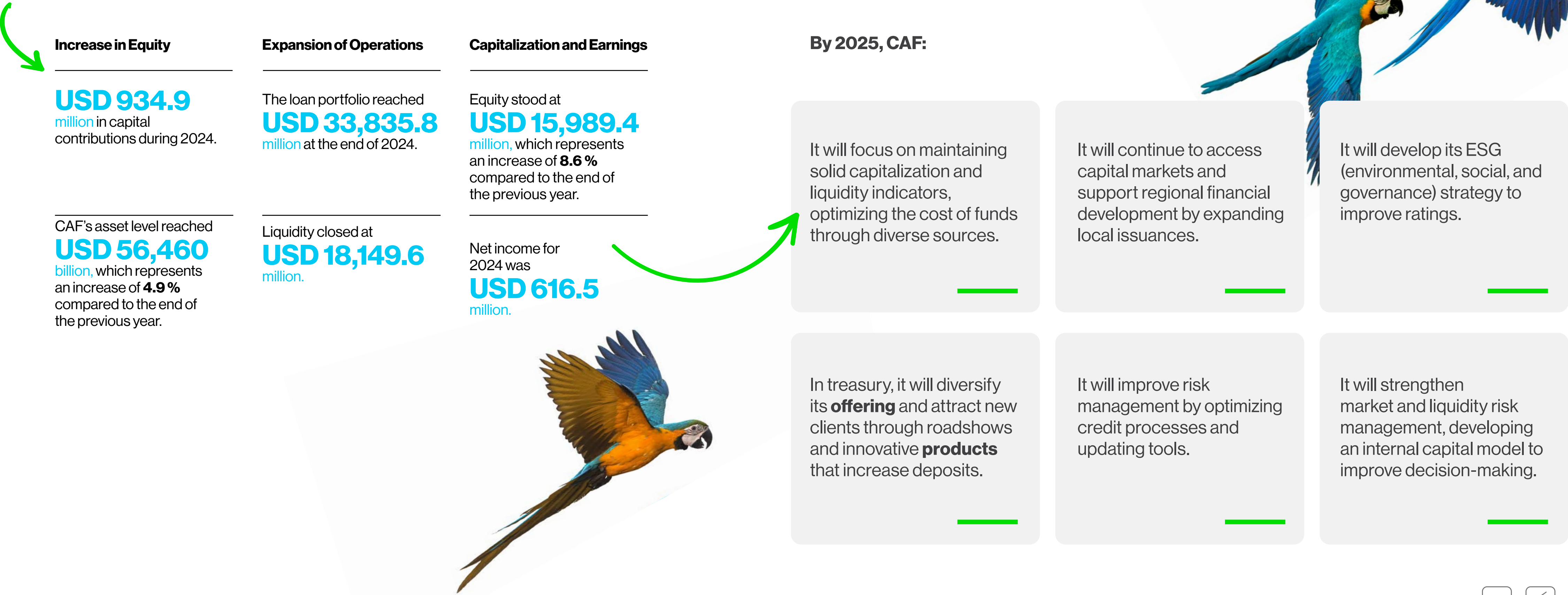
GRI 2-25, GRI 3-3

CAF's financial strategy is aimed at guaranteeing the solvency and sustainability of the institution, together with an efficient use of capital. The success of this strategy allows CAF to maintain solid credit ratings, which contributes to accessing financing in international markets at a favourable cost, and in turn to be able to offer competitive financial conditions to countries for Credit operations. CAF's strategy is also aimed at broadening the equity base, both by increasing the capital contributed by its shareholder countries and by incorporating countries within and outside the region, strengthening the institution's role as a key lender in its area of action.

In 2024, the credit rating agencies maintained CAF at the highest levels in its history, ranking it among the best-rated issuers in the region. CAF's ratings reflect continued shareholder support, strengthened balance sheet, prudent liquidity management and diversified loan portfolio.



During 2024, CAF has continued to implement its equity strengthening strategy, which allows it to reinforce capitalization indicators and continue to expand operations in a sustainable manner in the future.



- Risks, opportunities and future prospects
- Environmental sustainability
- Solvency and financial sustainability
- Talent and organizational health
- Digital transformation

Talent and organizational health

GRI 3-3, GRI 2-7, GRI 2-8, GRI 2-25

CAF's workforce is critical to the success and advancement of the strategic agendas that promote sustainable development in the region. Its main objective is to cultivate a diverse, equitable and inclusive work environment, providing each employee with an environment where they can enhance their skills and talents. To reinforce its identity and culture, CAF focuses on increasing its employees' sense of belonging, thus consolidating the organization's skills. A clear definition of roles and processes that favor mobility and professional development is sought, along with recognition and incentive schemes that support the Corporate Strategy 2026.

In 2024, CAF focused on strengthening its corporate identity and culture, enhancing the sense of belonging of its workforce by promoting values, building up organizational culture, improving the employee experience and boosting its employer brand.



Somos CAF gathering, Panama

HIGHLIGHTS OF THE INITIATIVE:
STRENGTHENING THE CULTURE AND
SENSE OF BELONGING IN CAF

Articulation of organizational values	Creation of the Cultural Accelerators community	Optimizing culture and communication indicators
The consolidation and dissemination of CAF's corporate values are essential to strengthening commitment and internal alignment.	This project has successfully promoted the implementation of the cultural identity model in four key countries: Venezuela, Panama, Colombia, and Peru.	The "YourVoice" survey shows a constant improvement in the aspects of culture and communication, confirming the effectiveness of the adopted strategies.
Overall positive perception	Continuity in implementation	
CAF's internal image has improved significantly, with notable advances in employee benefits, organizational culture, and leadership.	The progressive deployment of the cultural identity model throughout the institution reflects a long-standing commitment to solidifying the corporate culture and sense of belonging.	



Governance

To monitor the implementation of the people strategy and the corporate code of ethics, there are 4 Advisory Committees and Support Bodies of the Executive Chairmanship.

ADVISORY COMMITTEES AND SUPPORT BODIES TO THE EXECUTIVE PRESIDENCY

Human Capital Management and Digital Transformation Committee (CACHTD)

Responsible for understanding, providing opinions, and recommending policies and strategies related to human capital management and digital transformation, and evaluates improvements suggested by the departments themselves.

Labor Integrity Committee (CIL)

Focused on identifying violations of the code of conduct, managing workplace complaints, investigating harassment claims, and making decisions on them, always in accordance with current regulations. It also proposes ethics and conduct regulations and appoints mediators to resolve labor disputes.

Promotions Subcommittee

Responsible for evaluating and approving employee promotions by Organizational Unit (OU), taking into account the annual budget and corporate strategy objectives.

Gender, Inclusion, and Diversity Subcommittee (SGID)

Its mission is to promote inclusion and the mainstreaming of the gender and diversity perspective in policies, strategies, and actions for human capital management.

Committee for Addressing Situations of Sexual Harassment in the Workplace (CASAS)

Receives and manages complaints of workplace sexual harassment, adopts protective measures, investigates and prepares reports, establishes sanctions and remedial measures, and coordinates actions with third parties. In addition, it keeps a record of complaints, conducts ex officio investigations, informs the competent authorities, and requests technical assistance when necessary.

In 2024, significant progress was made in protecting the dignity and rights of the workforce, including the creation of the Protocol for the Prevention, Addressing and Punishment of Sexual Harassment in the Workplace. In addition, an awareness-raising process was carried out in all CAF offices and the Committee for Attention and Monitoring of Sexual Harassment (CASAS) was formed. It is encouraging that no cases of harassment have been reported, which reflects CAF's ongoing commitment to maintaining a safe and respectful work environment.



Launch of Community M for gender equity

2024 milestones and highlights

Cultural transformation

Institutional approval and launch of the 4 values and 6 cultural statements, to foster internal cohesion and a sense of belonging.

Expansion of presence

Opening of three new regional offices and refurbishment of multiple spaces, expanding the organization's presence and strengthening its collaborative culture.

Technology adoption

The incorporation of artificial intelligence in credit processes and the remodelling of internal and external communication channels improved the efficiency and effectiveness of communication.

Program leads

This program has enabled a renewed focus on leadership, prioritising organizational culture and effective communication, which impacted a significant proportion of managers and directors.

M+ Community

This space for growth and learning offered training in leadership, work-family balance and personal branding, reaching more than 200 participants.

Improvements in the performance process

CAF introduced new tools and specific training such as improving performance and career discussions, promoting personal development and introducing fairer and more equitable appraisals.

Customer Service

The implementation of a strengthening plan and the addition of new functionalities in the HUMA chatbot optimized customer service.

Promoting dialogue

More than 500 one-to-one conversations with leaders and staff, fostering an environment of open and transparent dialogue.

Event planning and coordination

The design of strategies for year-end activities improved internal communication and reinforced the sense of identity and belonging at CAF.



Challenges for 2025

Cultural and geographic diversity

This motivating but challenging context drives CAF to continue working to create a unified organizational culture that is representative of all its members.

Dynamism of the current labour market

CAF takes on the challenge of attracting high-level talent, reinforcing its commitment to its mission and vision, and creating a deep sense of belonging among its staff.

Changing technological landscape

CAF accepts the challenge of keeping its team connected and united, adopting technological solutions that increase productivity, facilitate cooperation and keep the sense of belonging alive.

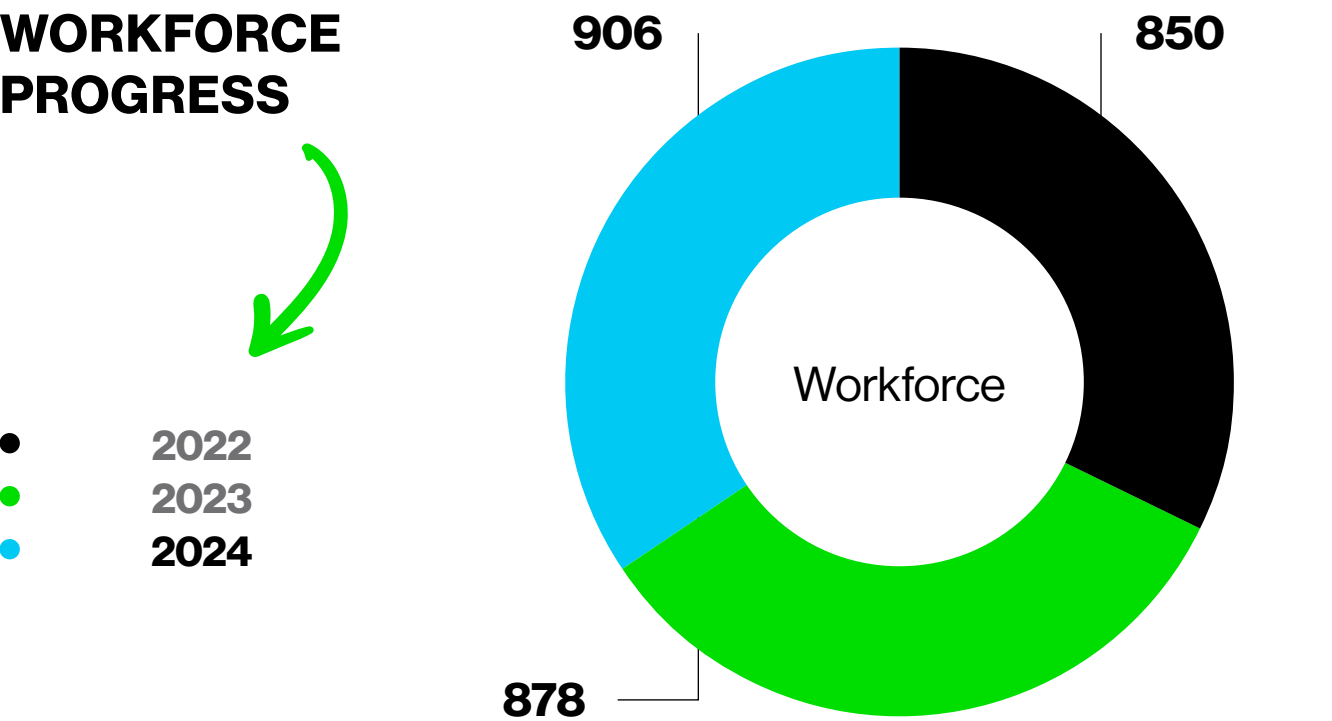
Diversity of generations in its staff

CAF sees an opportunity in this challenge, combining different perspectives to create a holistic and unified vision of its mission and purpose.

Our human talent

GRI 2-7, GRI 2-8, GRI 405-1

In 2024, human talent reached a total of **906 employees**, an increase of **3.19 %** over the previous year. This growth reflects the commitment to generating employment and strengthening the human team, promoting an inclusive and sustainable work environment.



With regard to the type of contract, during 2024, **90 %** of the organization’s direct employees were hired under indefinite-term contracts, while **7 %** were hired under fixed-term contracts. Finally, **3 %** of the workforce consisted of external employees on permanent and fixed-term contracts.

TYPE OF RECRUITMENT

	2022		2023		2024	
	Men	Women	Men	Women	Men	Women
Direct employees with an open-ended contract	432	367	437	381	432	382
Direct employees on fixed-term contracts	10	15	18	16	21	41
External employees with indefinite and fixed-term contracts	8	18	10	16	20	10
Total	450	400	465	413	473	433
%	54 %	47 %	53 %	47 %	52 %	48 %

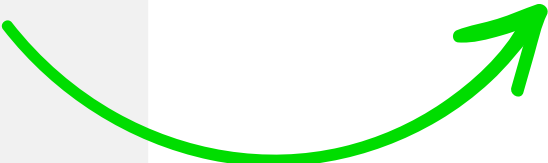


CAF's gender distribution is balanced, with **52 % men and 48 % women**, demonstrating its commitment to inclusion and diversity. In addition, the prevalence of open-ended contracts highlights the job stability offered to its employees.



By 2024, female participation in terms of gender increased slightly to **48 %**.

Indefinite-term contracts predominate in all regions where CAF operates, with **93 % of direct employees** hired under this type of contract and **only 7 % under fixed-term contracts**. This pattern demonstrates the organization's commitment to employment stability, both locally and internationally.

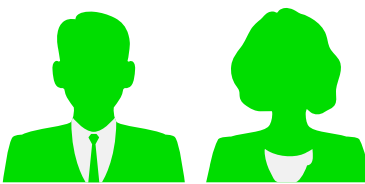


TYPE OF RECRUITMENT IN REGIONS WHERE CAF OPERATES
GRI 401-1

Tipo de contratación	North					
	2022		2023		2024	
	Indefinite	Fixed	Indefinite	Fixed	Indefinite	Fixed
Headquarters	280	8	265	5	259	5
North	286	7	284	15	276	34
South	201	9	232	13	235	19
Mexico and Central America	13	1	19	1	25	2
Europe	12	0	11	0	11	0
Caribbean	7	0	7	0	8	2
Total	799	25	818	34	814	62
%	97 %	3 %	96 %	4 %	93 %	7 %

DISTRIBUTION OF THE LABOR FORCE BY JOB TYPE, GENDER AND AGE IN 2024

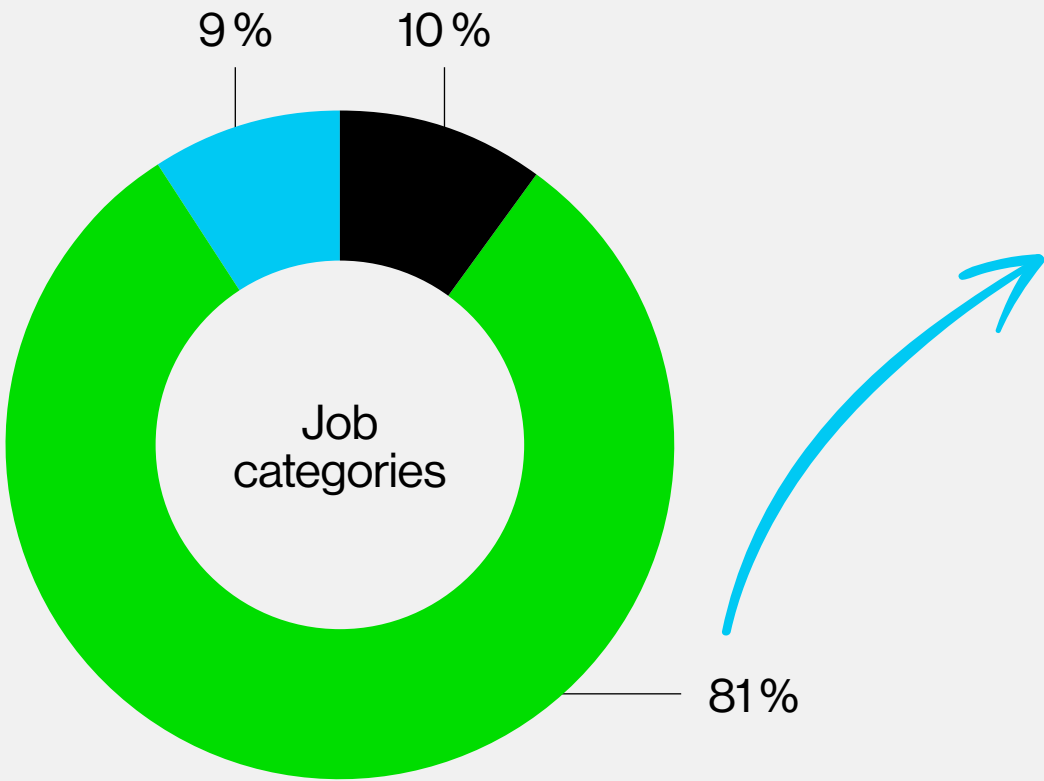
Job categories	2024							
	Between 18 and 30 years old		Between 30 and 50 years old		More than 50 years		Total	%
	Men	Women	Men	Women	Men	Women		
Management	0	0	27	15	26	17	85	10 %
Professional	17	27	266	262	87	56	715	81 %
Administrative	0	10	10	24	20	12	76	9 %
Total	17	37	303	301	133	85	876	100 %
%	2 %	4 %	35 %	34 %	15 %	10 %	100 %	



The majority of CAF’s workforce is concentrated in the professional category, comprising **81 % of the total. Management positions account for and administrative positions for 9 %**. In terms of gender representation, women make up of professional positions, **61 % of administrative positions and 37 % of management positions**.

DISTRIBUTION OF JOB CATEGORIES IN 2024

- Management
- Professional
- Administrative



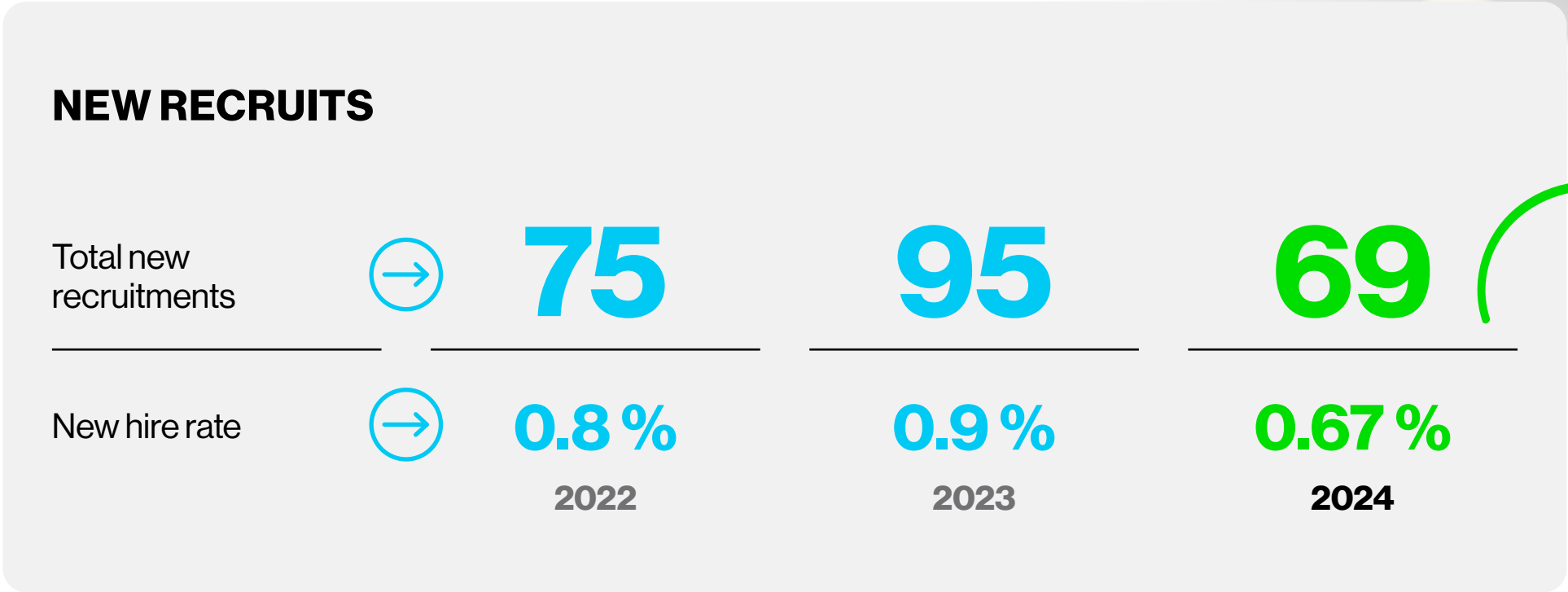
In terms of new hires, **69 talents** were recruited in 2024. Most of these new hires are concentrated in the offices in the North and South regions, highlighting the growth dynamics in these areas.



DISTRIBUTION OF JOB CATEGORIES IN 2024

Number and rate of new recruitments	Between 18 and 30 years old		Between 30 and 50 years old		More than 50 years	
	Men	Women	Men	Women	Men	Women
Headquarters - Venezuela	2	1	1	2	0	0
North	2	4	11	16	0	1
South	1	5	4	10	0	0
Mexico and Central America	0	0	3	3	0	0
Europe	0	0	0	0	0	0
Caribbean	0	2	0	1	0	0
Total	5	12	19	32	0	1

However, a year-on-year comparative analysis highlights a decrease in new hires compared to previous years.



Far from being a setback, this situation is seen as an opportunity to improve recruitment initiatives for diverse talent. The recruitment process has been strengthened with a focus on inclusion, making progress in the gender and nationality diversity of candidates, while maintaining a high level of satisfaction.

Risks, opportunities and future prospects

Environmental sustainability

Solvency and financial sustainability

Talent and organizational health

Digital transformation

Highlights

The **job platform was improved** for applying for jobs digitally.

Job postings on LinkedIn and other portals were unified, using language that invites everyone to participate.

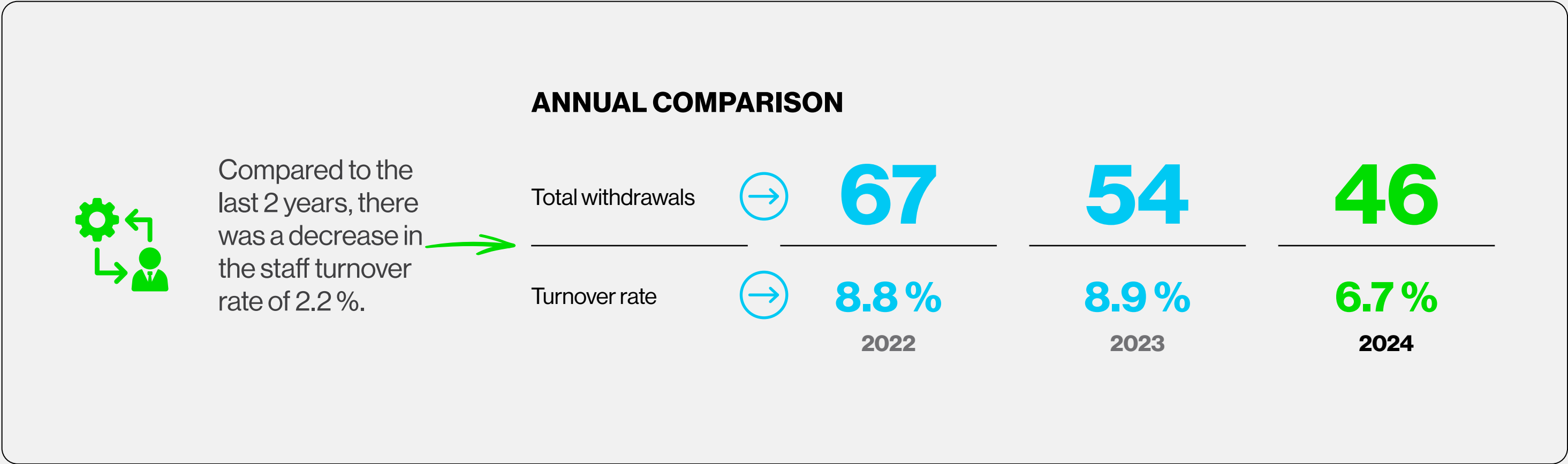
A new system was introduced to automatically schedule interviews.

The internship program was updated to make it more inclusive.

These changes reinforce the commitment to diversity and inclusion, and reaffirm the institution's interest in being perceived as an attractive option for talents seeking an inclusive and productive environment to develop professionally.

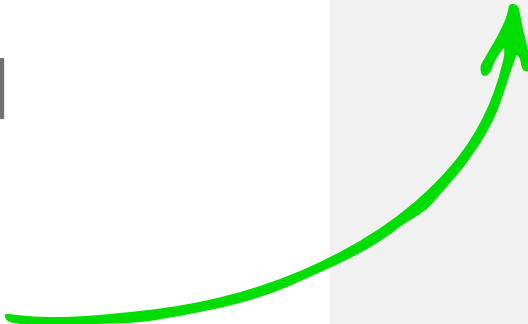
In 2024, staff turnover was 6.7 %, with 46 employees leaving. The distribution by area, gender and age group is shown in the table below:

Rotation by zone	Between 18 and 30 years old		Between 30 and 50 years old		More than 50 years	
	Men	Women	Men	Women	Men	Women
Headquarters - Venezuela	1	0	1	5	1	5
North	0	1	7	5	4	2
South	0	2	3	1	5	0
Mexico and Central America	0	0	0	0	2	0
Europe	0	0	0	0	0	0
Caribbean	0	0	0	1	0	0
Total by group and gender	1	3	11	12	12	7
Grand total	46					



To attract and retain talent, the Bank maintains a competitive compensation strategy in the development banking sector in Latin America and the Caribbean. Salary scales are determined based on the level and functions of the position held.

In 2024, it started the project on Job Architecture and levels in the organization as an input for the analysis of CAF’s external competitiveness and internal equity.



Gender pay ratio
GRI 405-2

Job categories	2023	
	Ratio of basic salary between men and women	Gender pay ratio
Senior Management	-8.9 %	-8.9 %
Executives	2.4 %	2.4 %
Senior professionals	-4.2 %	-4.2 %
Intermediate professionals	-2.5 %	-2.5 %
Professionals	-4.5 %	-4.5 %
Administrative	30.4 %	30.4 %
2024		
Senior Management	-11.5 %	-11.5 %
Executives	0.8 %	0.8 %
Senior professionals	-5.1 %	-5.1 %
Intermediate professionals	-4.0 %	-4.0 %
Professionals	-6.0 %	-6.0 %
Administrative	29.2 %	29.2 %

Employee benefits

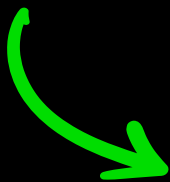
GRI 401-2

BENEFITS

Life insurance	Health Insurance	Disability and/or invalidity insurance
876	876	876
Maternity and paternity leave	Pension fund	Holiday bonus
876	814	876
Family allowance	Dependents education grant	
814	814	
Benefits seniority	Utilities	
876	876	



As part of its wellness strategy, the organization offers comprehensive benefits that address key aspects related to the health, wellbeing and work-life balance of its employees.



Benefits	Indefinite and fixed-term	Indefinite
Self-administered health policy	X	
International health policy		X
Life policy	X	
Disability and/or invalidity policy	X	
Maternity and paternity leave	X	
Parental leave	X	
Retirement program		X
Paid annual leave	X	
Family allowance		X
Dependent education allowance		X
Seniority benefits	X	
Utilities	X	



BENEFITS

Policies
CAF provides its employees with health, life and accident insurance plans.

Holiday bonus
A bonus equivalent to a fifteen (15) days' salary for the first year of service, plus one (1) day for each year of service after the second year.

Maternity leave
Twenty-six (26) weeks maternity leave, which may commence prior to the expected date of childbirth, depending on the particularities of each locality or special circumstances.

Parental leave
Ten (10) weeks of leave for legal recognition of parental responsibility for a minor under their care, without biological or adoptive parentage.

Dependent education grant
You are entitled to receive an education grant to help cover the financial obligations for compulsory formal education of your dependent children.

Paternity leave
Ten (10) continuous weeks of leave from the birth of your child.

Family allowance
You are entitled to an annual allowance for each dependent recognised by CAF.

Retirement program
This consists of two (2) contributions, one made by the official, corresponding to 7 % of his monthly basic salary, and the other by CAF. They allow workers to receive a pension benefit when they retire, or in cases of disability or permanent incapacity.

Seniority benefits
This is equivalent to five (5) days' remuneration for each month of work. In addition, after the first year of service, CAF pays the employee two (2) days' salary for each year worked, up to an additional thirty (30) days' remuneration.

Profits
Bonus derived from the participation of employees in the net profits of the Corporation, which may not be less than the equivalent of one (1) month's basic salary nor exceed the equivalent of four (4) basic monthly salaries.

The development of our talent at CAF is based on **training opportunities**, so during **2024 we will train 893 employees with an average of 31 hours per employee.**



 (13)) Discover the available course offerings and #LearnWithCAF / LinkedIn

CAF’s staff training hours

GRI 404-1

		Trained employees	Training hours	Average number of training hours per employee
2022	→	840	39,666	47.2
2023	→	886	30,291	35
2024	→	893	27,857	31

In 2024, CAF invested a total of **27,857 hours** in training its employees.

CAF has provided continuous training for its staff, including specialized programs, skills development and language training. Collaborations have been established with renowned institutions such as CFA, MIT, TEC de Monterrey, and Universidad de los Andes, access to learning platforms such as LinkedIn Learning is provided, as well as the possibility to apply for funding for specific training programs.

Job category	2024					
	Trained employees		Training hours		Average number of training hours per employee	
	Men	Women	Men	Women	Men	Women
Management	56	34	834	828	15	24
Professional	343	380	9,479	16,007	28	42
Administrative	31	49	236.3	472	8	10
Total	430	463	10,550	17,307	25	37

Training and development for leaders: an institution-wide effort towards diversity, equity and professional growth

In 2024, the institution reinforced its commitment to professional development through a leadership training program, offering 141 hours of instruction in ESG, Inclusive Leadership and Digital Transformation. The Lidera program trained 28 emerging leaders, selected for their growth, gender diversity, performance and culture. Many participants took on leadership roles in projects or were considered for promotions, underscoring the dedication to continuous learning and the importance of diversity and equity.

Milestone: **Internship Program at CAF**

CAF has an Internship Program, a training space for undergraduate and graduate students where they strengthen the theoretical knowledge acquired in projects linked to the development of the region, with the purpose of developing a pool of qualified talent identified with its mission for future employability. There are two annual stages for the entry of interns.

This program for undergraduate and graduate students strengthens their theoretical knowledge through participation in projects aligned with CAF's Strategic Agenda. Guided by specialized professionals, interns develop in an inclusive and motivating environment, fostering talent committed to the organization's mission.

Risks, opportunities and future prospects
Environmental sustainability
Solvency and financial sustainability
Talent and organizational health
Digital transformation



PROGRAM STRUCTURE

Cohorts: **two per year** (March-April and October-November).

Benefits: financial allowance in line with the local salary market, health insurance, access to UVCAF and LinkedIn Learning.

INITIATIVES 2024

Power skills training: communication, productivity, Excel, business English, among others.

DiversiCAF: inclusion of four trainees in the current cohort.

Academic distribution: **44 undergraduate interns and 3 international postgraduate interns** (19 women and 28 men).

Trainee satisfaction in the **experience survey** reached **97 %**.

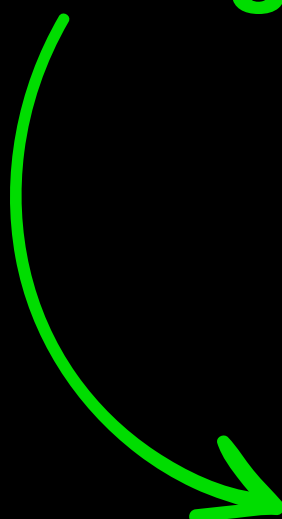
Performance evaluation

GRI 404-3

- 
- CAF conducts annual performance evaluations for employees with more than six months' seniority. In 2024, **95 % of staff** participated in the **"My CAF Career Planning"** program.

 - **Target setting:** In the first quarter, performance targets were set using the SMART methodology, with training sessions for leaders and staff.
 - **Monitoring and career development:** In the third quarter, "Performance Conversations" were held for feedback and training was provided on tools to link development plans to performance.

Organizational climate



CAF conducts an annual Climate and Engagement survey. In 2024, the **"TuVoz"** survey had a participation rate of **72 %**. **The results showed that, although employees feel supported and proud to work at CAF, there is a low level of general well-being.**

Strategies will focus on strengthening engagement through cultural adjustments, promotion of values, improved communication, innovation, leadership programs and continuous learning opportunities.

In 2024, several actions were implemented to improve organizational culture, leadership, innovation and training.



- **CAF Cultural Identity Model.** Based on values that foster identity and commitment.
- **Lidera Program.** It benefited **70 %** of managers and **50 %** of directors and supervisors.
- **Training in innovation and technology.** More than **100 people** trained, generating **13 new ideas**.
- **Training and mentoring programs** strengthened leadership competencies, impacting **40 participants** in the first cohort.

Digital transformation

GRI 2-25, GRI 3-3

CAF seeks to implement digital solutions to modernize and automate the management of the credit business. These initiatives are aimed at improving the customer experience, transforming the staff experience, obtaining key inputs and performing predictive analysis, which will allow CAF to outsource its knowledge in digital channels and products.

CAF’s digital transformation results from the promotion of a culture of technological innovation throughout the organization, with the aim of optimizing, in the short term, operational management, customer relations, portfolio management and data analysis, among other aspects. CAF also supports the countries of the region in promoting connectivity and digital transformation, encouraging the digitalization of companies and states.

In 2024, CAF made significant progress in the Credit Back Office and in the testing and prototyping of artificial intelligence capabilities, which complete the digital environment for credit management. **In addition, various projects were formulated during the year to strengthen the organization’s digital capabilities, including the following:**

- **FOCUS Project⁴**. Updating support systems to improve efficiency and sustainability in credit management.
- **ODIN Project⁵**. Implementation of the Corporate Data Lake containing information organized in 11 business data domains and enabling analytical capabilities through 7 use cases or data products supported by a governance and quality management model and a community of more than 100 staff.
- **Artificial Intelligence**. Defining the ethical framework for the responsible use of AI and testing the necessary capabilities, increasing staff productivity with 200 staff using Microsoft Copilot Generative AI and CAF’s custom-developed intelligent assistants that automate the search and classification of information, generate summaries and opinions, classify risks and track impact indicators.
- **Due Diligence Tool Phase II**. Modernization of compliance processes, optimizing analysis and decision-making.

Looking ahead to 2025, progress will be made in the implementation of the aforementioned projects and the digital maturity of the workforce in analytics, artificial intelligence and cybersecurity will be promoted. These actions will foster a culture of technological innovation throughout the organization, consolidating CAF as a benchmark in digital transformation in the region.

4 FOCUS: Technological project that will allow a renewed and more efficient experience of the “Business Portal”, gradually implementing an innovative solution for the credit business.

5 ODIN: Technological project that enhances data analysis to facilitate decision-making throughout the institution. Using a modern data platform, unifying data and improving its quality.

- Risks, opportunities and future prospects
- Environmental sustainability
- Solvency and financial sustainability
- Talent and organizational health
- Digital transformation



Renewal of the alliance with UNESCO for the ethical and inclusive development of AI in the region, Uruguay

Annexes - GRI Table

El Salvador

GRI Standards / Other sources	Contents	Location / Direct response
GRI 2: General content	General Contents	
	2-1 Organizational details CAF Profiles	Legal name [2-1a]: Corporación Andina de Fomento - Development Bank of Latin America and the Caribbean Nature of ownership and legal form [2-1b]: Multilateral Financial Institution Location of headquarters [2-1c]: Caracas, Venezuela. Countries of operation [2-1d]: Argentina, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, Portugal, Spain, Trinidad and Tobago, Uruguay, Venezuela, Bahamas.
	2-2 Entities covered by sustainability reporting	Not applicable for CAF, as all regions report to the same organization.
	2-3 Reporting period, frequency and point of contact Methodological note	The reporting period is from 1 January to 31 December 2024, with an annual frequency. Queries and requests for further information on the reported contents can be addressed to the following e-mail address: nbastos@caf.com

GRI Standards / Other sources	Contents	Location / Direct response
GRI 2: General content	2-4 Updating information	There was no need to restate information published in previous reports.
	2-5 External verification	The <i>Sustainability Report</i> has not been subject to external verification.
	2-6 Activities, value chain and other business relationships Corporate strategy Environmental sustainability	Pages 26 and 108
	2-7 Employees Talent and organizational health	Pages 116 and 119
	2-8 Workers who are not employees Talent and organizational health	Pages 116 and 117
	2-9 Governance structure and composition Corporate governance	Pages 83 and 84
	2-10 Appointment and selection of the highest governance body Corporate governance	Page 84
	2-11 Chairman of the highest governance body Corporate governance	Pages 84 and 85
	2-12 Role of the highest governance body in overseeing the management of impacts Corporate governance	Page 86

GRI Standards / Other sources	Contents	Location / Direct response
GRI 2: General content	2-13 Delegating responsibility for managing impacts Corporate governance	Page 85
	2-14 The highest governance body's role in sustainability reporting Corporate governance	Page 84
	2-15 Conflicts of interest Corporate governance	Page 89
	2-16 Communicating critical concerns Corporate governance	Page 91
	2-17 Collective knowledge of the highest governance body	CAF does not influence the appointment of board members or the criteria for diversity in their composition, knowledge, skills, or experience in sustainable development.
	2-18 Evaluation of the highest governance body's performance	Not applicable – CAF does not carry out performance evaluations of the board of directors.
	2-19 Remuneration policies	None of the board members receive compensation from CAF for the exercise of their duties. Executive compensation policies are not disclosed for confidentiality and security reasons.

GRI Standards / Other sources	Contents	Location / Direct response
GRI 2: General content	2-20 Process for determining remuneration	None of the board members receive compensation from CAF for the exercise of their duties. Executive compensation policies are not disclosed for confidentiality and security reasons.
	2-21 Total annual compensation ratio	Not disclosed for confidentiality and security reasons.
	2-22 Sustainable Development Strategy Statement Chairman's letter	
	2-23 Commitments and policies Corporate governance	Page 43
	2-24 Mainstreaming commitments and policies Institutional strengthening Auditing practices at CAF	Pages 43, 85 y 98
	2-25 Processes to remedy negative impacts Transparency and Corporate governance	Page 81
	2-25 Processes to remediate negative impacts: Greener operations	Page 39
	2-25 Processes to remediate negative impacts: Just energy transition	Page 54

GRI Standards / Other sources	Contents	Location / Direct response
GRI 2: General content	2-25 Processes to remediate negative impacts Biodiversity and ecosystem services	Page 56
	2-25 Processes to remediate negative impacts Inclusive social welfare	Page 63
	2-25 Processes to remediate negative impacts Gender, inclusion and diversity	Page 46
	2-25 Processes to remediate negative impacts Productivity and internationalization	Page75
	2-25 Processes to remediate negative impacts Talent and organizational health	Page 116
	2-25 Processes to remediate negative impacts Physical and digital infrastructure	Page 69
	2-25 Processes to remediate negative impacts Climate change resilient territories	Page 59
	2-25 Processes to remediate negative impacts Regional integration	Page 49
	2-25 Processes to remediate negative impacts Solvency and financial sustainability	Page 114
	2-25 Processes to remediate negative impacts Institutional strengthening	Page 43

GRI Standards / Other sources	Contents	Location / Direct response
GRI 2: General content	2-25 Processes to remediate negative impacts Digital transformation	Pages 130
	2-26 Mechanisms for seeking advice and raising concerns Stakeholder engagement	Pages 89 and 92
	2-28 Membership of associations	Page 34
	2-29 Approach to Stakeholder Engagement Stakeholder engagement	Page 23
	2-30 Collective bargaining agreements	Not applicable – CAF does not have collective bargaining agreements with employees.
Topics Materials		
GRI 3: Material topics	3-1 Process for determining material issues Materiality analysis	Page 24
	3-2 List of material topics Materiality analysis	Page 24
	3-3 Management of material issues Materiality analysis	Page 24
	3-3 Management of material issues Risks, opportunities and future prospects	Pages 38, 53, 105
	3-3 Management of material issues Strategic focuses of action and management 2024	Pages 70 and 76

GRI Standards / Other sources	Contents	Location / Direct response
GRI 3: Temas Materiales	3-3 Management of material issues Transparency and good corporate governance	Page 81
	3-3 Management of material issues Greener operations	Page 39
	3-3 Management of material issues Just energy transition	Page 54
	3-3 Management of material issues Biodiversity and ecosystem services	Page 56
	3-3 Management of material issues Inclusive social welfare	Page 63
	3-3 Management of material issues Inclusion, diversity and gender	Page 46
	3-3 Management of material issues Productivity and internationalization	Page 75
	3-3 Management of material issues Talent and organizational health	Page 116
	3-3 Management of material issues Physical and digital infrastructure	Page 69
	3-3 Management of material issues Climate change resilient territories	Page 59
	3-3 Management of material issues Regional integration	Page 49
	3-3 Management of material issues Solvency and financial sustainability	Page 113
	3-3 Management of material issues Institutional strengthening	Page 43
	3-3 Management of material issues Digital transformation	Page 130

GRI Standards / Other sources	Contents	Location / Direct response
Specific indicators		
GRI 101	101-1 Biodiversity Context Biodiversity and ecosystem services	Pages 56 y 57
	101-2 Biodiversity Management Biodiversity and ecosystem services	Page 57
	101-3 Access and Benefit Sharing Institutional strengthening	Pages 43 y 56
	101-5 Locations with impacts on biodiversity Biodiversity and ecosystem services	Page 56
	101-8 Ecosystem services Biodiversity and ecosystem services	Pages 58, 59 y 61
	GRI 204: Sourcing Practices 204-1 Proportion of expenditure on local suppliers	Page 108
GRI 302: Energy	302-1 Energy Energy Efficiency	Page 113
GRI 305: Emissions	305-1 Direct emissions of scope 1 In-house environmental management	Page 112
	305-2 Direct emissions associated with energy (scope 2) In-house environmental management	Page 112
	305-3 Other emissions (scope 3) In-house environmental management	Page 112

GRI Standards / Other sources	Contents	Location / Direct response
GRI 306: Waste	306-1 Waste generation and significant impacts related to waste Internal environmental management	Page 113
	306-2 Management of significant impacts related to waste In-house environmental management	Page 113
	306-3 Waste generated Internal environmental management	Page 113
GRI 401: Employment	401-1 New hires and departures of employees Our human talent	Page 120
	401-2 Benefits for full-time employees not offered to temporary or part-time employees Benefits for employees	Page 124
GRI 404: Training and education	404-1 Average training hours per year per employee Personal training hours CAF	Page 127
	404-3 Percentage of employees receiving performance and career development appraisals Performance appraisal	Page 129
GRI 405: Diversity and equal opportunities	405-1 Diversity of governance bodies and employees Our human talent	Page 119
	405-2 Ratio of basic salary to remuneration for men and women Our human talent	Page 124

GRI Standards / Other sources	Contents	Location / Direct response
GRI 205: Anti-corruption	205-1 Operations assessed for corruption-related risks Ethics, compliance and risk management	Pages 89, 91 y 93
	205-2 Communication and training on anti-corruption policies and procedures Ethics, compliance and risk management	Page 89
	205-3 Confirmed incidents of corruption and actions taken Ethics, compliance and risk management	Pages 89, 91 y 93
Own indicators		
PDLA	Specific actions to prevent money laundering	Page 91
DGR-1	Three lines of defence internal control model	Page 94
418-1	Complaints and claims related to violations of customer privacy and loss of customer data	Page 96
SGCN-1	Business continuity management system	Page 97

