

Sustainability Report 2025

DEVELOPMENT BANK OF LATIN AMERICA AND THE CARIBBEAN

Latin America and the Caribbean

Sustainability Report 2025

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Sustainability Report 2025

CAF DEVELOPMENT BANK OF LATIN AMERICA AND THE CARIBBEAN

Latin America and the Caribbean

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Introduction and institutional context

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Message from the Executive President

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The consolidation of CAF as the green and blue bank of Latin America and the Caribbean is not only a strategic definition, but also a tangible expression of our commitment to the region's structural challenges. In an international context marked by fragmentation, uncertainty, and the need for new collective responses, Latin America and the Caribbean possesses strategic assets, natural capital, energy resources, and productive capacity that position the region as an essential part of global solutions. Our responsibility as a development finance institution is to support our shareholder countries in transforming this potential into sustainable growth, social inclusion, and regional integration.

In 2025, we reaffirmed our institutional roadmap and strengthened our capacity to generate impact through meaningful results across our mission-driven and cross-cutting agendas. We reached USD 18,668 million, in loan approvals, representing a 33 % increase compared to 2024. These resources contributed to advancing strategic priorities such as the energy transition, territorial resilience, productivity enhancement, social inclusion, and ecosystem protection, expanding the institution's ability to respond to the needs of its member countries while promoting more effective regional integration.

This performance was supported by strong financial management, reflected in a record USD 8,262 million in bond issuances across international capital markets. The improvement in our credit ratings reflects investor confidence, the strength of our corporate governance, and the consistency of a results-oriented management approach. In particular, Standard & Poor's upgraded CAF's rating to AA+, while Moody's and Fitch revised their outlooks to positive, reaffirming their Aa3 and AA- ratings, respectively.

In line with our institutional strategy through 2026, we further consolidated our position as the green and blue bank of the region. Forty-four percent of the year's approvals were allocated to green financing, continuing a demonstrable trajectory: our goal of reaching 40 % by 2026 was achieved ahead of schedule when we reached 41 % in 2024, allowing us to raise our ambition to a new target of 50 % by 2030. During COP30 in Belém, CAF committed to allocating USD 40,000 million over the next five years to advance regional green growth. This decision reaffirms our contribution to climate action and the protection of strategic ecosystems, while also reflecting a deeper understanding of the differentiated ways in which the climate crisis affects our region.

Sustainable development requires advancing with the same determination in inclusion and human capital. For this reason, we launched Banco Futuro as a strategic initiative, backed by a baseline investment of at least USD 5,000 million in education and early childhood development, with the objective of reaching nearly 50 million children and adolescents. This effort is supported by an institutional transformation that enabled 67 % of our sovereign operations to incorporate gender, inclusion, and diversity components, compared to 48 % in 2024.

We also continued strengthening the productivity and internationalization agenda through expanded financing for SMEs, the development of the venture capital ecosystem, and the promotion of sustainable investments in collaboration with financial partners. In 2025, 32 % of total approvals were allocated to this agenda, reflecting the importance of fostering a more productive, competitive, and internationally connected region, integrated into sustainable investment and trade flows.

The growth of our impact has been accompanied by unprecedented institutional strengthening. Supported by a historic USD 7,000 million capitalization initiated in 2022 and the consolidation of our AA+ rating, CAF now has solid

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foundations to double the size of the bank and its portfolio by 2031. Shareholder expansion continued throughout 2025 with the operational integration of new member countries in Central America and the Caribbean, strengthening regional governance and expanding our integration capacity. The return of Chile as a full member reaffirms this integrating vocation and further consolidates CAF as an increasingly representative platform for Latin America and the Caribbean.

Throughout the year, we also brought the voice of Latin America and the Caribbean to strategic global dialogue forums, including the Latin America and the Caribbean International Economic Forum in Panama, the Fourth United Nations International Conference on Financing for Development in Seville, and COP30 in Belém. In these forums, we promoted an agenda grounded in cooperation, integration, and practical solutions, including stronger regional energy market integration as a key driver of competitiveness, energy security, and sustainability.

These achievements have been made possible by the commitment of our more than 900 professionals and the trust of our shareholder countries. We will continue strengthening our presence, transparency, and capacity for regional coordination, seeking to leave a positive social and environmental legacy across Latin America and the Caribbean. Our responsible and results-oriented management is reflected in this 2025 Sustainability Report, which comprehensively presents the progress, metrics, and impacts that underpin our work throughout the year.

Thank you for your trust and for allowing us to move forward together toward sustainable, inclusive development with a long-term vision for Latin America and the Caribbean.



Sergio Díaz-Granados Guida
Executive President
CAF -Development Bank of Latin America and the Caribbean-

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Regional context, and development challenges

In 2025, Latin America and the Caribbean faced a regional context characterized by persistent structural challenges that continue to shape economic, social, and environmental development trajectories. These historical challenges were compounded by factors associated with the global economic slowdown, financial volatility, and an uncertain geopolitical environment, which limited countries' ability to sustain long-term sustainable development processes. This scenario increased the need for investment in resilience, productivity, and inclusion, while restricting fiscal space and reinforcing the importance of long-term financing mechanisms, resource mobilization, and risk mitigation.

In the economic sphere, the region maintained heterogeneous growth dynamics, marked by structural constraints such as low productivity, dependence on primary sectors, and fiscal limitations that hinder the mobilization of resources to close social gaps, strengthen infrastructure, and move toward more sustainable and inclusive production models. In this context, scaling up investment and improving the quality of public spending are crucial for sustaining growth and strengthening competitiveness.

From a social perspective, persistent inequalities continued to be one of the main challenges to regional development. Large segments of the population remain exposed to conditions of informality, unequal access to basic services, and limited opportunities for social mobility, with more pronounced impacts in rural areas, peri-urban zones, and vulnerable communities. In this regard, strengthening social cohesion and equitable access to essential services remains a central component for advancing toward more inclusive development.

Climate change and environmental degradation have emerged as cross-cutting factors that amplify existing risks. The increased frequency and intensity of extreme weather events affect water security, agricultural production, critical infrastructure, and livelihoods, reinforcing the need to integrate climate resilience, sustainable natural resource management, and environmental risk reduction into development strategies. At the same time, the region possesses comparative advantages linked to its natural capital and renewable energy potential, positioning it as a key player in the global solution, provided that investments and enabling frameworks for a sustainable transition are accelerated.

Likewise, significant gaps persist in physical, social, and digital infrastructure, limiting competitiveness, territorial cohesion, and regional integration. Constraints in transportation, energy, water, sanitation, and digital connectivity continue to limit countries' ability to respond to development challenges, reinforcing the need to prioritize resilient, low-carbon infrastructure, including nature-based solutions.

In this context, the development challenges in Latin America and the Caribbean highlight the importance of promoting comprehensive approaches that integrate economic growth, social inclusion, and environmental sustainability, as well as strengthening regional cooperation and mobilizing financing for sustainable development. As a green bank committed to sustainable and inclusive growth, CAF focuses its efforts on accelerating investments in resilient infrastructure, energy transition, water security, productivity, and inclusion. It combines financing, technical cooperation, and knowledge generation, forging partnerships to expand the scale and impact of its interventions in the region.

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Key Results

In 2025, CAF achieved significant results through its mission-driven and cross-cutting agendas, with loan approvals totaling USD 18,668 million, representing a 33 % increase compared to 2024.

As part of its commitment to sustainable development in Latin America and the Caribbean, and in response to a complex and multifaceted regional context, CAF aligns its operations with the 2030 Agenda, focusing its efforts on generating positive impacts on the Sustainable Development Goals (SDGs). To this end, the institution implements a multi-year corporate strategic agenda that seeks to position it as the green bank for sustainable and inclusive growth. This agenda is structured around three interconnected dimensions—mission-critical, cross-cutting, and enabling—that allow for the articulation of financial and non-financial solutions, the mobilization of resources, and the execution of actions aimed at the region's sustainable development.

These resources helped strengthen strategic priorities such as the energy transition, territorial resilience, boosting productivity, social inclusion, and ecosystem protection, expanding the institution's capacity to respond to the needs of its member countries and promoting regional integration.

Complementarily, CAF strengthened its capacity to mobilize resources and coordinate with strategic partners, expanding shareholder countries' access to concessional and thematic financing. In this context, the institution exceeded targets in green financing, gender and inclusion, technical cooperation, and resource mobilization, consolidating its role as a development bank and strategic partner to drive sustainable and inclusive growth in the region.

The mission-driven agendas directed financing toward strategic development priorities, enabling an effective response to the main productive, social, territorial, and environmental challenges. The following table presents a summary of the main results by mission-driven agenda, including approved amounts, geographic coverage, and priority lines of intervention.



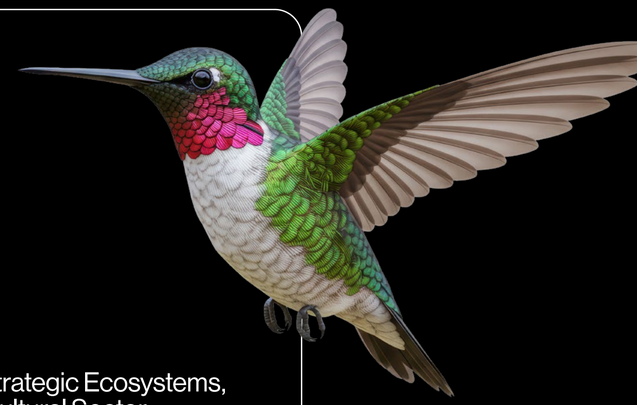


Table 1.1

Results of the 2025 Mission-Driven Agendas

	Productivity and Internationalization	Just Energy Transition	Resilient Territories	Digital Infrastructure	Inclusive Social Welfare	Resilience, Strategic Ecosystems, and the Agricultural Sector
Approved Amount	**USD 5,961 million**	**USD 3,143 million**	**USD 2,426 million**	**USD 1,728 million**	**USD 1,063 million**	**USD 1,040 million**
Geographic Scope	14 countries	10 countries	8 countries	5 countries	7 countries	6 countries
Summary of Results	Strengthening productivity and competitiveness by expanding financing for SMEs, developing the venture capital ecosystem, and promoting sustainable investments in coordination with financial partners.	Promoting the energy transition through the expansion of renewable energy and the strengthening of transmission, distribution, and storage systems, contributing to the decarbonization of the electricity sector and production chains.	Strengthening territorial resilience through investments in water security, urban systems, sustainable mobility, waste management, and the development of local economies under a sustainable approach.	Expanding connectivity and regional integration through investments in transportation, logistics, energy, and digital infrastructure, including emerging technologies for productive transformation.	Reducing disparities and strengthening human development through investments in health, nutrition, early childhood, education, 21st-century skills, and gender and inclusion policies.	Protecting biodiversity and strengthening climate resilience through an ecosystem-based approach, alongside the promotion of sustainable and regenerative agricultural production systems.

Cross-cutting agendas

Cross-cutting agendas were systematically integrated into institutional operations, as well as into the design, execution, and monitoring of operations, strengthening the incorporation of key criteria for sustainability, inclusion, and financing effectiveness across the portfolio. This approach helped improve coherence between strategic priorities and their implementation, as well as strengthen the quality of interventions and their contribution to development outcomes.

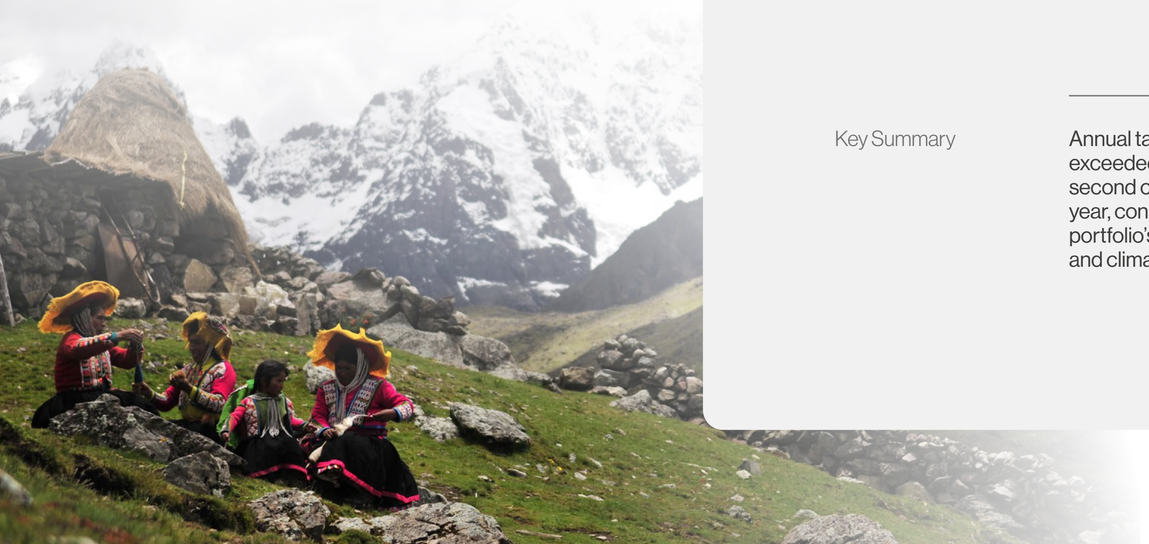


Table 1.2

Cross-cutting Agendas Results

	Green Financing	Gender, Inclusion, and Diversity	Regional and Local Governments	Resource Mobilization	Technical Cooperation
Institutional Goal	**41 %** (Board commitment: 40 % by 2026)	**50 %** of sovereign approvals	**USD 1,613 million** (2025)	Mobilization of public and private resources	**40 %** aligned with loan operations
2025 Outcome	**44 %** of approved financing	**67 %** of sovereign approvals	**USD 3,275** million	**USD 2,362** million mobilized, of which **USD 1,474** million is private capital. Private capital mobilization factor: **1.87 times**	**45 %** of technical cooperation operations aligned with loan operations. USD 160 million approved
Key Summary	Annual target exceeded for the second consecutive year, consolidating the portfolio's environmental and climate alignment.	Incorporation of gender and inclusion approaches in two out of every three sovereign operations.	Target significantly exceeded, strengthening territorial impact through support to subnational governments.	Efficient use of CAF's capital to scale up financing and attract additional resources to the region.	Strengthening of technical support as a complement to financing, exceeding the annual target.

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Enabling Agendas

In 2025, CAF's enabling agendas consolidated key institutional and financial conditions to sustain and scale the institution's development results. These advances helped strengthen the robustness of the institutional model and its responsiveness to the priorities of member countries in Latin America and the Caribbean.

In terms of financial sustainability and market access, CAF strengthened its position through upgrades to its credit ratings and outlooks by S&P Global Ratings, Moody's, and Fitch Ratings. These results reflect the strength of its financial profile and the confidence of international markets, while expanding its ability to access financing on competitive terms. Likewise, the institution continued to strengthen its regional character by expanding its shareholder base, with the addition of Grenada and Antigua and Barbuda as new shareholders, which helps broaden its reach and capacity for action in the region.

Table 1.3

CAF Credit Ratings, December 2025

Fitch Ratings	**Fitch Ratings** Rating: **AA-** Outlook: **Positive**
Moody's	**Moody´s Investors Service** Rating: **Aa3** Outlook: **Positive**
Standard & Poor's	**Standard & Poor's** Rating: **AA+** Outlook: **Stable**
JCR Japan Credit Rating Agency, Ltd.	**Japan Credit Rating Agency** Rating: **AA+** Outlook: **Stable**

In the area of financial instruments and innovation, CAF made progress in diversifying its funding sources and mechanisms.

Key milestones include the signing of an Exposure Agreement with other multilateral development banks for USD 700 million, as well as the institution's first hybrid capital issuance for USD 500 million. These instruments strengthen CAF's financial capacity and expand its scope of action to meet the region's financing needs.

ESG Ratings

In addition to its strengthened credit profile, CAF also improved its external ESG assessments, reflecting advances in governance, transparency, environmental management, and social inclusion.

In 2025, Morningstar Sustainalytics improved the institution's ESG Risk Rating from 12.2 to 11.7, maintaining it within the low-risk category.

Likewise, as of March 23, 2026, CAF received an MSCI ESG Rating of BBB, representing an improvement over its previous assessment and reflecting the institutional management carried out during 2025.

From the perspective of governance, transparency, and internal control, CAF made significant progress in international assessments. In 2025, the institution significantly improved its performance on the Publish What

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You Fund (PWYF) index, tripling its score compared to 2023 and moving up five positions in the global ranking. This result reflects improvements in information disclosure, accountability, and institutional transparency.

These advances were complemented by the strengthening of comprehensive financial, environmental, social, and climate risk management, helping to reinforce institutional resilience and CAF's ability to operate effectively in uncertain environments.

Partnerships and Resource Mobilization

CAF strengthened its role as a regional platform for partnerships and the mobilization of financing for development. During the year, the institution mobilized USD 2,362 million in additional resources through various financial and cooperation instruments, expanding the scale of financing available for development projects in Latin America and the Caribbean. This result reflects not only the Bank's financial capacity but also the strength of its network of international partnerships, as well as its work with extra-regional partners, which enables the channeling of resources, knowledge, and cooperation toward strategic initiatives in the region. The private sector contributed USD 1,474 million, equivalent to 62 % of the total mobilized, reflecting CAF's ability to attract private investment toward projects with high development impact.

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GRI 2-3

This CAF Sustainability Report covers the period from January 1 to December 31, 2025. Its annual preparation and publication reflect the institution's commitment to transparency, accountability, and continuous improvement in managing the economic, social, and environmental impacts arising from its operations.

The report has been prepared in accordance with the current GRI (Global Reporting Initiative) Standards and complements the information contained in the **CAF 2025 Annual Report** and the audited financial statements for the same period. The information presented includes the main progress, results, and institutional management approaches, providing a consolidated view of performance in the areas of sustainability and development.

The scope of the report covers the operations, activities, and institutional processes carried out during 2025, including financing operations, technical cooperation, risk management, governance, strategic planning, and institutional strengthening. Its content reflects CAF's role as a regional development bank focused on promoting sustainable, inclusive, and resilient growth in Latin America and the Caribbean.

The definition of the report's content is based on the institutional process of identifying and prioritizing material issues, considering the actual and potential impacts of activities on the economy, the environment, and people. Within this framework, the report addresses the mission-critical, cross-cutting, and enabling agendas that guide institutional management, as well as the priority issues for the region's sustainable development.

The results, indicators, and descriptions included are presented in aggregate form at the institutional level and align with strategic objectives and key international commitments regarding sustainable development, climate change, biodiversity, and human rights. Given the cross-cutting nature of its operations, multiple interventions simultaneously contribute to different areas of sustainability, enhancing their impact on sustainable and inclusive development.

To facilitate access to supplementary information, the report refers to other relevant institutional documents, including the CAF 2025 Annual Report, the 2025 Transparency Report, the audited financial statements, and sustainability reports from previous periods, which, taken together, provide a comprehensive view of institutional performance.

For inquiries, comments, or requests for additional information, the following contact channel is available:
cafreporting@caf.com

CAF Profile

CAF is a multilateral financial institution committed to improving the quality of life in the region by promoting sustainable, inclusive, and resilient development.

In line with its institutional mandate, it promotes regional integration, the strengthening of member states' capacities, and the transformation of productive systems, acting as a long-term strategic partner for its shareholder countries.

As of the end of 2025, CAF comprises 24 shareholder countries (Table 1.4), giving it a broad regional presence and a unique capacity to design development solutions tailored to the diverse economic, social, and environmental contexts of Latin America and the Caribbean. This shareholder base underpins its role as a platform for regional cooperation, facilitating dialogue, resource mobilization, and consensus-building around common development priorities.

Table 1.4

CAF Shareholder Countries

Member Countries

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

Series C Shareholders

- Antigua and Barbuda
- Bahamas
- Barbados
- Spain
- Grenada
- Jamaica
- Mexico
- Portugal



CAF's mission is carried out through the provision of financing, technical cooperation, and knowledge generation, aimed at supporting public policies, programs, and projects that contribute to sustainable economic growth, the reduction of inequalities, climate resilience, and the protection of natural capital. Its operations cover strategic sectors such as physical and digital infrastructure, energy transition, sustainable water management, social development, institutional strengthening, and biodiversity, in response to the region's main structural challenges.

CAF's institutional scope combines its financial capacity with a development results-oriented approach, seeking to maximize the economic, social, and environmental benefits of its interventions. In a regional environment characterized by high complexity, the institution operates with a comprehensive vision that integrates economic growth, social inclusion, and environmental sustainability, in line with the development challenges of Latin America and the Caribbean, and the priorities of its member countries.

CAF's commitment to being the green bank of Latin America and the Caribbean is reflected in its operations, as evidenced by the following indicators:

44 % of the total amount approved corresponds to green financing.

Nearly **5 million people benefited** from climate change adaptation and 300,000 from mitigation.

800,000 annual tons of CO_2 equivalent reduced through CAF-supported interventions.

3.5 million beneficiaries of improved management and sustainable use of the environment.

Figure 1.1

Main SDGs linked to projects financed by country



Total approvals
USD 18,668 million

Consolidated portfolio
USD 39,079 million

Disbursements
USD 11,781 million

Non-reimbursable technical cooperation approvals
USD 74.4 million

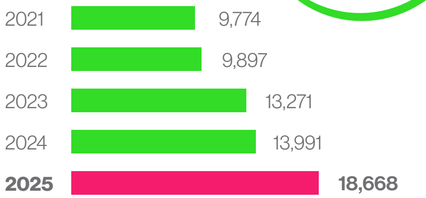


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Figure 1.2

Total approvals

(USD million)



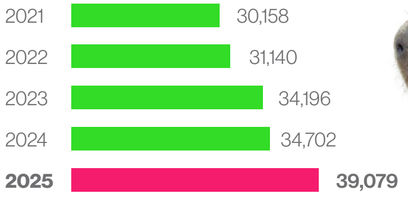
Note: The historical approvals series presented in the chart has been harmonized to reflect CAF's new methodology.

1. In 2024, a gradual methodological change was introduced (see Box 1) to discontinue the accounting of credit line renewals as new approvals. Instead, approvals will reflect loans effectively granted under these lines or facilities. That year, renewals of sovereign liquidity credit lines ceased to be counted and, in 2025, the same treatment was applied to commercial banking credit lines.

Figure 1.3

Consolidated portfolio

(USD million)



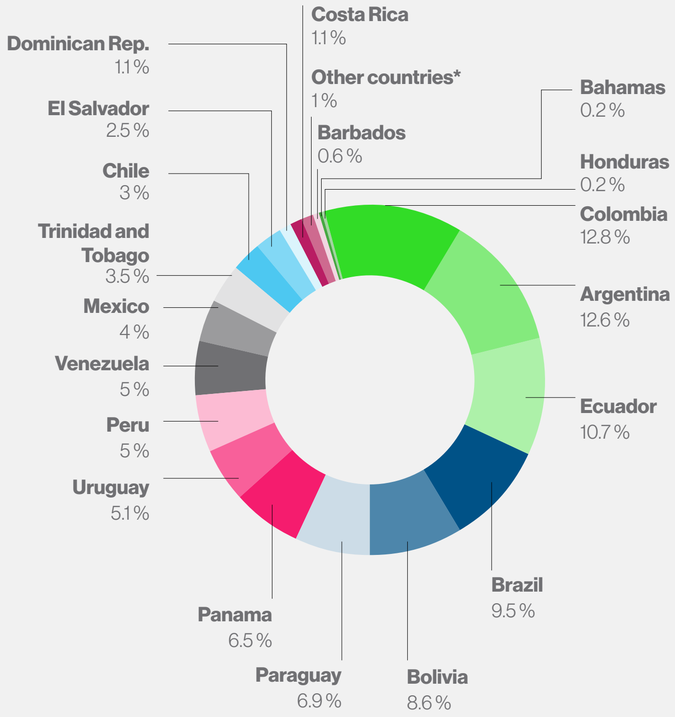
Note: Accounting adjustments are not included.



Figure 1.4

Portfolio by country

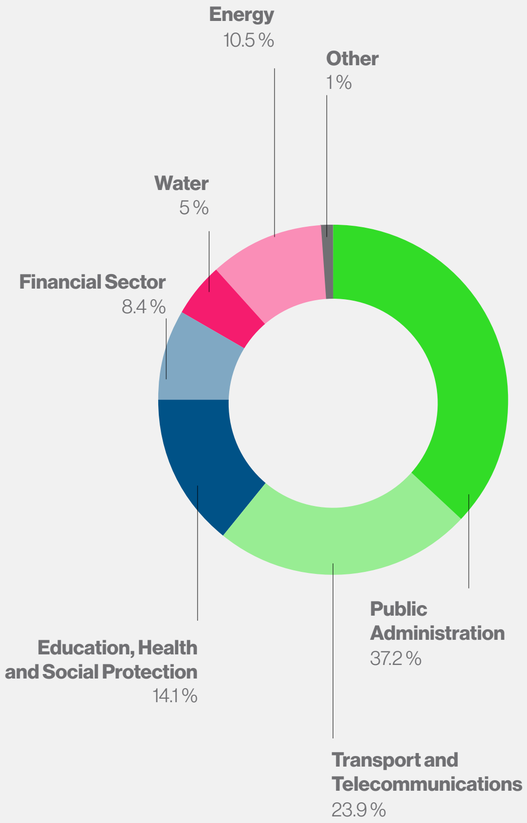
(percentage of total)



Note: "Other countries" includes Spain, Portugal, and multinational operations.

Figure 1.5

Portfolio by economic sector



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Financial Inclusion and Education

CAF sought to reach traditionally underserved segments—women, migrants, rural populations, and residents of last-mile territories—through digital solutions and public-private partnerships. These actions helped expand the use of financial services and strengthen the economic resilience of households and microenterprises.

In 2025, CAF's initiatives in financial inclusion and education helped expand access to and use of financial services in the region, with the following results:

More than
18.9 million
people and 8 million MSMEs benefited from financial inclusion projects.

More than
27.3 million
people benefited from financial education projects.

More than
6.9 million
women benefited from financial inclusion and education projects.



For more details on financial inclusion and education initiatives, see section Productivity and Internationalization.

Materiality Analysis
Institutional Strategy
Link to the SDGs and 2025 Results
Stakeholder Engagement
Strategic Alliances and Resource Mobilization



Strategy, materiality, and contribution to the SDGS

Materiality Analysis

GRI 3-1

CAF determines its material topics based on its institutional purpose of contributing to the sustainable development of its shareholder countries, as well as on an analysis of the economic, environmental, and social impacts resulting from its operations. This approach is integrated into the 2022–2026 Corporate Strategy and considers the actual and potential impacts—both positive and negative—associated with its financial activities in the sovereign and non-sovereign sectors.

The identification of impacts is based on the development and continuous improvement of regulatory frameworks, internal structures, and processes aimed at ensuring environmentally and socially responsible management of operations. In this context, as part of its materiality management, CAF has reaffirmed its commitment to transparency through the Policy on Access to Information and Institutional Transparency (PAIT), which establishes principles and procedures to guarantee access to information and accountability.

Likewise, all approved operations are linked to the Sustainable Development Goals (SDGs), which facilitates the generation of relevant information to assess the social and environmental contribution of the mobilized resources and institutional efforts.

Impacts are prioritized through the materiality exercise, which serves as the foundation for the sustainability information disclosure strategy of this report.

Within the framework of the 2023 Sustainability Report, 13 strategic lines of action were identified and prioritized, reflecting the most relevant material issues for the region and shareholder countries, in alignment with the 2022–2026 Corporate Strategy.

These issues are integrated into the strategic agendas and their associated initiatives, allowing institutional efforts to be focused on those impacts of greatest relevance and potential to contribute to sustainable development. This process is reinforced by monitoring and follow-up mechanisms that combine strategic indicators and qualitative assessments of progress, ensuring a dynamic approach aligned with institutional objectives.



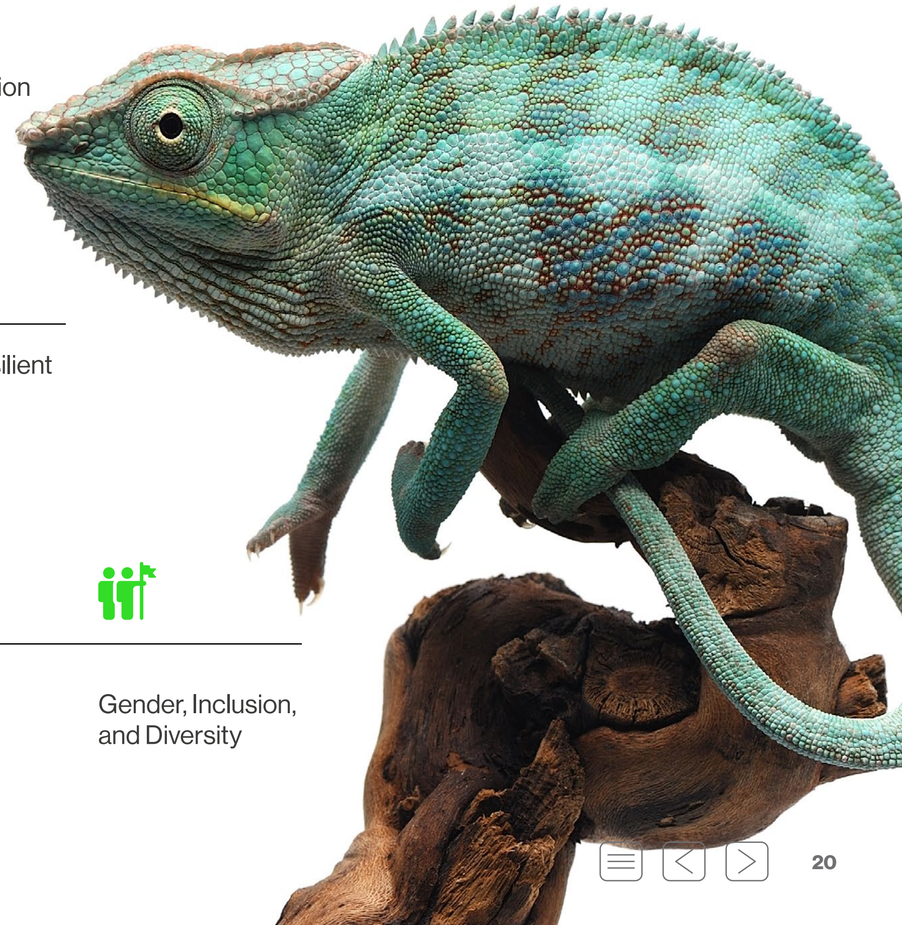
GRI 3-2

Based on the current materiality assessment and in line with the 2022-2026 Corporate Strategy, CAF maintains 13 material topics that guide its institutional management, operations, and the disclosure of sustainability information in 2025. These topics are integrated into the strategic agendas and their respective initiatives.

CAF's material topics are as follows:

These themes reflect the areas where CAF focuses its efforts to maximize its positive impact on sustainable development in Latin America and the Caribbean, both through financial intermediation and the provision of knowledge, financial products, and services.

- 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-Resilient Territories
- Inclusive Social Well-Being
- Regional Integration
- Institutional Strengthening
- Greener Operations
- Gender, Inclusion, and Diversity



Institutional Strategy

GRI 2-6

Institutional Role

CAF is the green bank for sustainable and inclusive growth in Latin America and the Caribbean. Its institutional role focuses on financing, technical cooperation, and knowledge generation,supporting member countries and their strategic partners in addressing structural development challenges. Its actions prioritize the promotion of resilient infrastructure, territorial development, climate action, biodiversity conservation, inclusive social well-being, and the strengthening of productivity. Within this framework, the institution coordinates financial and non-financial solutions to support public policies, strengthen national and subnational capacities, and mobilize investments aligned with long-term sustainability and development agendas in Latin America and the Caribbean.

Strategic Activities and Intervention Logic

CAF's institutional strategy guides the organization's efforts toward achieving concrete results linked to the agendas that shape it. It is based on a logic of comprehensive interventions that combines financing with specialized technical expertise, with the aim of enhancing results and accelerating the implementation of member countries' development priorities.

These initiatives are implemented in a coordinated manner across the organization's various departments through mission-driven, cross-cutting, and enabling agendas. This approach aligns strategic planning with operational execution and technical support, maximizing the impact of operations and the added value that CAF brings to the region.

Mission Agendas
10 initiatives

A

A1. Just energy transition

A2. Resilience, strategic ecosystems, and agricultural sector

A3. Resilient territories

A4. Inclusive social well-being

A5. Physical and digital infrastructure

A6. Productivity and internationalization

Cross-cutting Agendas
6 initiatives

B

B1. A greener operation

B2. Knowledge for business

B3. Institutional strengthening

B4. Inclusion, diversity, and gender

B5. Regional integration

B6. Partnerships and resource mobilization

Enabling Agendas
8 initiatives

C

C1. Financial sustainability

C2. Talent and organizational health

C3. Digital transformation

C4. CAF's strategic positioning

C5. Transparency and good corporate governance

C6. Innovative financial instruments

This strategic vision seeks to maximize the impact on development, responding in a timely and relevant manner to the needs of member countries, with a regional perspective and a cross-cutting approach to sustainability.

In 2025, CAF strengthened its position as a green bank with verifiable results. Forty-four percent of its approved projects incorporated green financing, exceeding ahead of schedule the institutional target of 40 % set for 2026, while cumulative green financing exceeded USD 22,000 million, with projections to reach USD 25,000 million in 2026.

Likewise, the institution made progress on priority environmental agendas, notably fulfilling its commitment to the blue economy with USD 1,545 million approved—exceeding the projected USD 1,250 million—and achieving progress in water security with USD 3,409 million approved toward the goal of USD 4,000 million by 2026, strengthening its capacity to channel resources toward climate resilience and sustainable ecosystem management.

In terms of corporate sustainability, in 2025 CAF consolidated a more robust financial and institutional platform to sustain its growth with discipline and credibility in the markets. The institution achieved the highest ratings in its history (AA+ S&P, AA- Fitch, Aa3 Moody's, AA+ JCR) and maintained outstanding performance in efficiency (0.65 %). This strength was complemented by an increased capacity to forge partnerships, while the non-sovereign portfolio continued to expand, reaching USD 5,171 million (13.2 % of the total), thereby strengthening diversification, investment mobilization, and CAF's role as a strategic partner for the region's sustainable development.



Institutional Relationships and Partnerships

To fulfill its mission, CAF continuously strengthens its relationships with shareholder countries, multilateral organizations, financial institutions, public and private sector actors, and other strategic partners. The financial, technical, and institutional relationships enable the expansion of the scope of interventions, mobilize resources, and complement financing with technical cooperation, specialized knowledge, and joint solutions.

The institutional approach prioritizes coordination and cooperation as mechanisms to accelerate the implementation of strategic priorities, facilitate co-financing schemes, and promote regional solutions to global development challenges, consolidating CAF as a platform for integration in Latin America and the Caribbean.

In 2025, CAF strengthened its value proposition as a platform for global partnerships to scale up development financing, integrating its relationships with multilateral organizations and markets with an expanded network of financial partners. This network reached 156 partners in 2025 (19 % more than in 2021), exceeding the target set for 2026 ahead of schedule. This progress was complemented by solid results in resource mobilization: the private capital mobilization factor stood at 1.87 (within the target range of 0.5 to 2), and with a methodology currently being strengthened and aligned with international standards, it is estimated that CAF mobilized USD 8,473 million between 2022 and 2025, of which USD 4,980 million corresponds to private capital. Taken together, these results reinforce CAF's ability to attract third-party resources, share risks, and accelerate impactful investments, expanding the scope of its operations and its added value for member countries.

Link to the SDGs and Results

GRI 3-3

CAF consolidates its contribution to the 2030 Agenda through a strategic and explicit alignment of its lending operations, investment programs, and technical cooperation activities with the Sustainable Development Goals (SDGs). This approach allows CAF to align its institutional actions with national, regional, and global agendas, strengthen the coherence of public policies, and enhance coordination with multilateral organizations, development banks, and strategic partners, thereby facilitating the mobilization of resources for sustainable development.

Institutional Approach to Alignment with the SDGs

Since its adoption in 2015, the 2030 Agenda has established itself as the global framework guiding efforts toward inclusive, equitable, and sustainable development. In this context, CAF aligns its operations, both directly and indirectly, with the SDGs, incorporating them as a cross-cutting reference in the design and implementation of its interventions.

The contribution to the SDGs is integrated from the early stages of the operational cycle, aligning objectives, expected results, and their consistency with specific sustainable development goals.

To this end, CAF uses the SDG Operations Classification Model, a methodological tool that allows the identification, structuring, and reporting of each operation's contribution to the SDGs, thereby strengthening strategic analysis and the measurement of financing impacts.

This model allows for the assignment of up to nine SDGs per operation:

A) Primary SDG

A single SDG is identified that is most closely aligned with the operation's central objective. This assignment is derived from the general purpose and strategic scope of the credit or equity investment operation.

B) Secondary SDGs

Up to three (3) secondary SDGs may be recorded that are directly related to the specific objectives, technical components, or expected outcomes of the operation. Their inclusion allows for reflecting the multidimensional contribution of the intervention, provided there is a verifiable technical justification.

C) Complementary SDGs

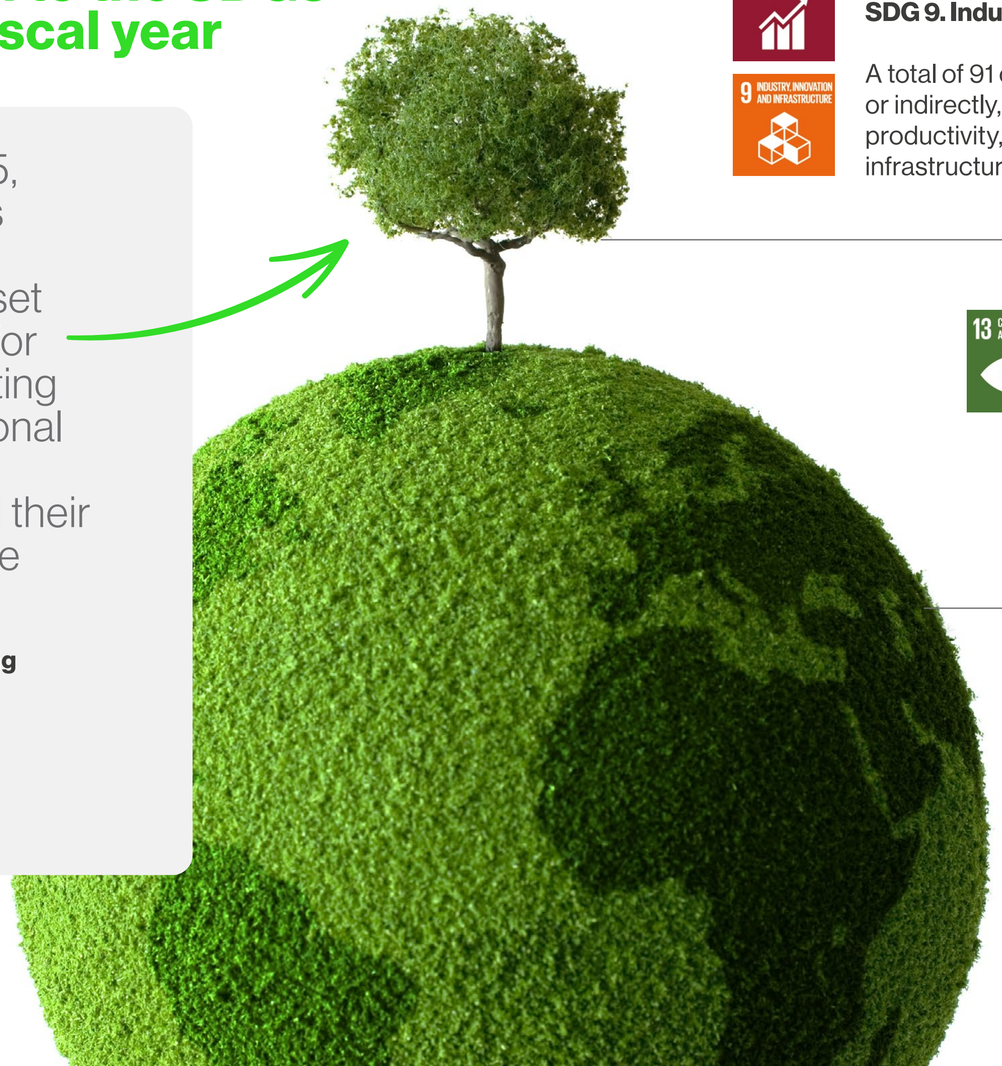
In order to capture cross-cutting or specific contributions linked to specific SDG targets, up to five (5) complementary SDGs may be incorporated. These correspond to predetermined themes directly associated with an SDG and its targets, and serve as supporting criteria for classifying operations that, although they do not directly address an SDG, contribute to its achievement through sectoral or institutional actions.

This approach allows for the reflection of the multidimensional nature of operations and recognizes the interdependence among the SDGs, promoting interventions with synergistic effects across different dimensions of development.

Contribution to the SDGs during the fiscal year

Throughout 2025, CAF's operations contributed significantly to a set of priority SDGs for the region, reflecting the multidimensional approach of its interventions and their alignment with the 2030 Agenda.

In particular, the following results stand out:



SDG 8. Decent Work and Economic Growth and SDG 9. Industry, Innovation, and Infrastructure

A total of 91 operations approved during the period were aligned, directly or indirectly, with these goals, demonstrating CAF's focus on strengthening productivity, competitiveness, and the development of sustainable infrastructure.

SDG 13. Climate Action

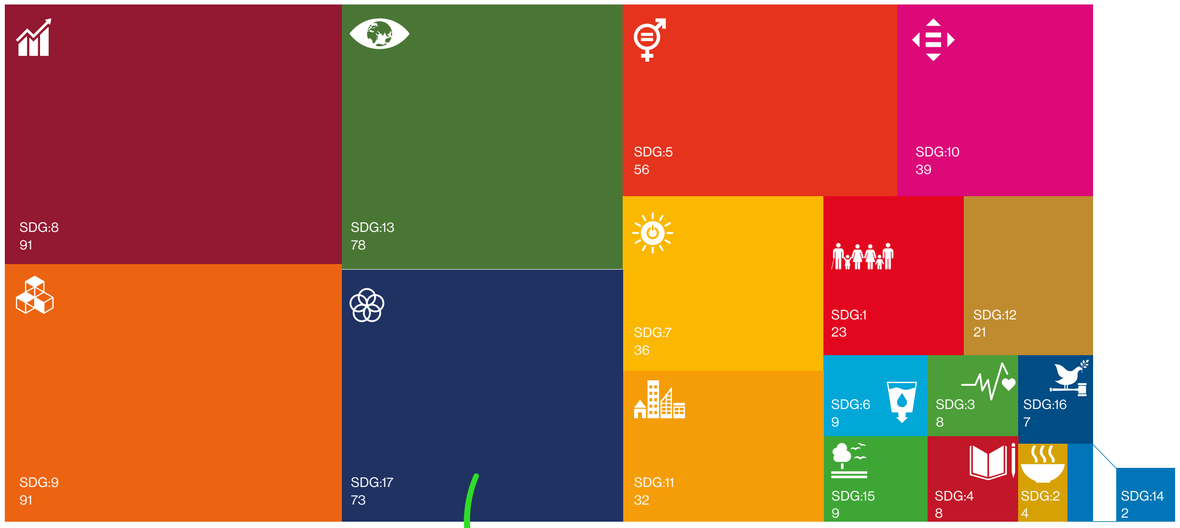
In 2025, CAF continued to make progress in fulfilling its commitment to finance projects focused on climate action, biodiversity conservation, and the sustainable use of ecosystems. In this context, 44 % of approvals incorporated environmental and climate components, reflecting the institution's positioning as the region's green bank.

SDG 17. Partnerships for the Goals

CAF contributes to this goal by strengthening strategic partnerships and mobilizing resources for development. Through its role as a development bank and second-tier lender, the institution channels financing to development finance institutions and private banks, expanding access to resources in the region. In 2025, a total of 73 operations were linked to this SDG.

Figure 2.1

Approvals by SDG 2025
(Number of operations)



Note: The chart reflects the number of operations approved during 2025 by CAF and their contribution to the various SDGs. Most operations contribute to more than one SDG, reflecting their cross-cutting nature and multidimensional impact.

Strengthening the Results-based Approach: CAF Impact

In 2025, CAF made progress in consolidating its CAF Impact initiative as an institutional framework aimed at strengthening the measurement, management, and communication of development results. This initiative incorporates a systematic approach to ex-post analysis of the economic, social, environmental, and institutional effects generated by the institution's supported interventions, intending to identify their transformative potential.

The CAF Impact initiative is designed as a cross-cutting tool that facilitates traceability between:

- Strategic priorities.
- Sectors of intervention.
- Contribution to the SDGs.

This strengthens accountability to shareholder countries and other stakeholders, consolidating CAF's role as an institution focused on development results.

For more information on the CAF Impact initiative, visit:https://www.caf.com/es/especiales/impacto-caf/

Engagement with Stakeholders

GRI 2-29

Close, systematic, and ongoing engagement with stakeholders is a central element of CAF's institutional strategy and a key enabler for fulfilling its mandate of sustainable development in Latin America and the Caribbean. Through this engagement, CAF strengthens trust with its key stakeholders, promotes constructive dialogue, improves the quality of decision-making, and enhances the impact of its operations and non-financial actions.

Table 2.1

Stakeholders and Mechanisms/ Channels of Interaction

Shareholders
- Annual shareholders' meetings
- Extraordinary meetings
- Board portal
- Website

Clients
- Website
- Digital media and social media
- Media
- Email
- Forums
- Conferences

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

Staff
- Platforms, publications, and internal communication systems
- Emails
- Internal communication strategies by project
- Human capital management committee
- Internal structures for job grading, promotions, and performance evaluation

Suppliers
- Requests for proposals
- Requests for Information (RFI)
- Internal competitions
- Satisfaction survey

Corporate
- Website and other digital media (social media)
- E-newsletters targeted at segmented databases
- Media
- Environmental and Social Grievance Mechanism (ESGM)

Stakeholder Engagement Approach: Identification and Categories

GRI 2-29-a-i

CAF maintains an institutional stakeholder mapping that is updated periodically and serves as a reference to guide its dialogue, communication, and engagement mechanisms. This mapping includes, among others, shareholder countries, customers, strategic partners, suppliers, employees, and society at large, recognizing the diversity of expectations, roles, and interests associated with each group.

The identification of stakeholders is based on their role in fulfilling the institutional strategy, their level of influence, and their degree of connection to CAF's operations and activities.

This approach allows for prioritizing engagement mechanisms and ensuring interaction that is consistent with institutional objectives.

Purpose of Engagement with Stakeholders

GRI 2-29-a-ii

The purpose of stakeholder engagement is to strengthen transparency, accountability, and institutional trust, as well as to create spaces for dialogue that contribute to improving the management and monitoring of CAF's operations and corporate strategy. Within this framework, the institution promotes formal channels of interaction with countries, shareholders, and other key groups, aimed at facilitating access to relevant information, systematizing institutional monitoring, and ensuring timely communication.

Complementarily, engagement with specific audiences addresses sectoral and strategic objectives. In the cultural sphere, CAF fosters dialogue with actors in the creative and cultural sectors, promoting inclusion, strengthening of cultural identity, and access to cultural goods and expressions in the region.

Likewise, through initiatives focused on gender, inclusion, and diversity, CAF fosters engagement with women, indigenous peoples, Afro-descendant communities, and other historically excluded groups, with a focus on capacity building, economic empowerment, and the creation of spaces for dialogue.

In the case of suppliers, the engagement seeks to strengthen performance and sustainability standards, promoting responsible practices aligned with the institutional strategy, including areas such as event management and the provision of goods and services.

Mechanisms to Ensure Effective Participation

GRI 2-29-a-iii

CAF implements institutional mechanisms aimed at ensuring effective and value-generating participation for stakeholders.

Among these are policies and procedures on transparency and access to information, which guarantee informed participation through the timely and accessible disclosure of information on institutional management, operations, and their impacts.

Likewise, CAF has specific mechanisms for handling inquiries and feedback, such as the Environmental and Social Complaints Mechanism (ESCM), which allows for the channeling of concerns and complaints, the evaluation of cases in accordance with established procedures, and the generation of preventive and corrective recommendations that inform institutional management.

At the operational level, the institution promotes processes of evaluation and continuous improvement in its relationships with specific groups, such as suppliers, through performance assessments, systematic feedback, and the development of guidelines and training initiatives aimed at strengthening the integration of sustainability criteria.

In this way, engagement with stakeholders is conceived as a strategic process that contributes to the continuous improvement of institutional management and the achievement of sustainable results.



Strategic Alliances and Resource Mobilization

Strategic Alliances and Resource Mobilization

GRI 2-28

In 2025, the management of strategic partnerships focused on expanding access to financing, diversifying funding sources, and scaling up operations, thereby strengthening CAF's institutional capacity to support the sustainable development agenda in Latin America and the Caribbean.

CAF facilitates high-level dialogue and cooperation with multilateral and bilateral partners, global funds, philanthropic actors, and the private sector, creating opportunities for collaboration both within the region and with extra-regional partners in Europe, Asia, the Middle East, and North America. This approach helps consolidate CAF as a strategic financial partner and as a platform for coordinating solutions to the challenges of sustainable development.

Likewise, CAF actively participates in forums and initiatives of the international community and multilateral development banks aimed at strengthening financial cooperation and financing for sustainable development, contributing to the coordination and articulation of development partnerships in Latin America and the Caribbean.



Table 2.2

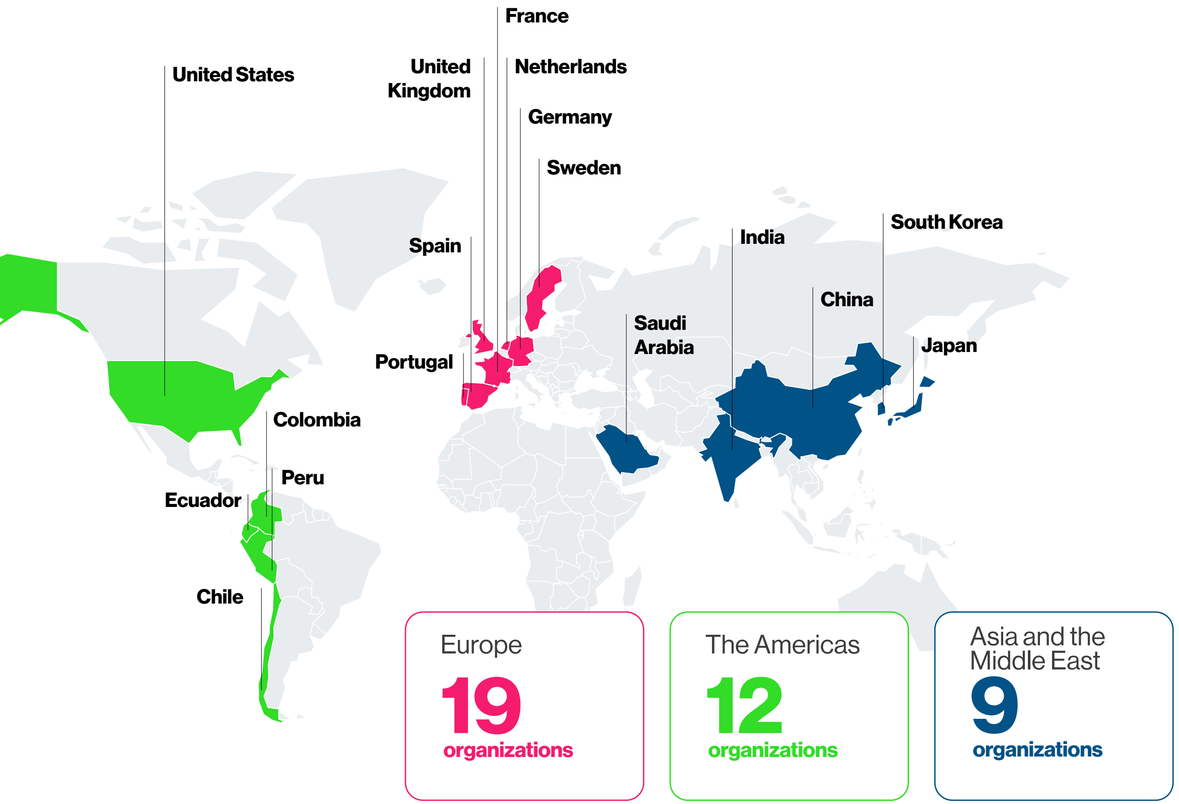
Cross-cutting Activities to Strengthen Partnerships and Mobilize Resources

Co-financing schemes to expand countries' financial capacity	Optimize institutional efforts and ensure efficient resource management	Diversify financing sources and expand access to concessional resources	Strengthen CAF's positioning as a platform for global partnerships	Promote the positioning of CAF and LAC as a region of solutions in new strategic regions
Mobilization of **USD 1,884 million** through co-financing credit, including A/B loans, significantly increasing the scale and scope of operations supported by CAF.	Coordinate internal stakeholders and align the origination, structuring, and financing of operations, including projects with combined contributions from multiple partners.	Raising over **USD 115 million** in non-reimbursable funds (GCF, GEF, AF, MCD, EU, AFD, KSP, FIA Foundation, FAVES). Disbursements to CAF for the refinancing of operations totaling **USD 188 million** from thematic facilities (KfW, ICO, JBIC). Renewal of the line of credit for CAF with the Korea Export-Import Bank (KEXIM) for **USD 200 million.**	Consolidation of CAF as the voice of LAC in global debates on financing for development: Fourth Conference on Financing for Development (FfD4), the 13th Meeting of the IDFC Steering Group in Seville, the Summit, and the Chairmanship of the Coordination Committee of the Multilateral Cooperation Center for Development Financing (MCDF), through which 16 grants totaling **USD 27.2 million** have been channeled over two years.	Connection with concrete opportunities for resource mobilization, impact investing, and public-private partnerships through participation in events such as: Expo 2025 Osaka, the 10th India–LAC Conclave in New Delhi, and the 2025 APEC Finance Ministers' Meeting in South Korea.

As evidence of the scope and depth of institutional relationships, in 2025 CAF had a presence in 17 countries and interacted with around 40 organizations, including foundations, universities, chambers of commerce, banks, development agencies, cooperation entities, and government institutions.

Table 2.3

Institutional Presence by Region



Strategic Partnerships

GRI 2-29

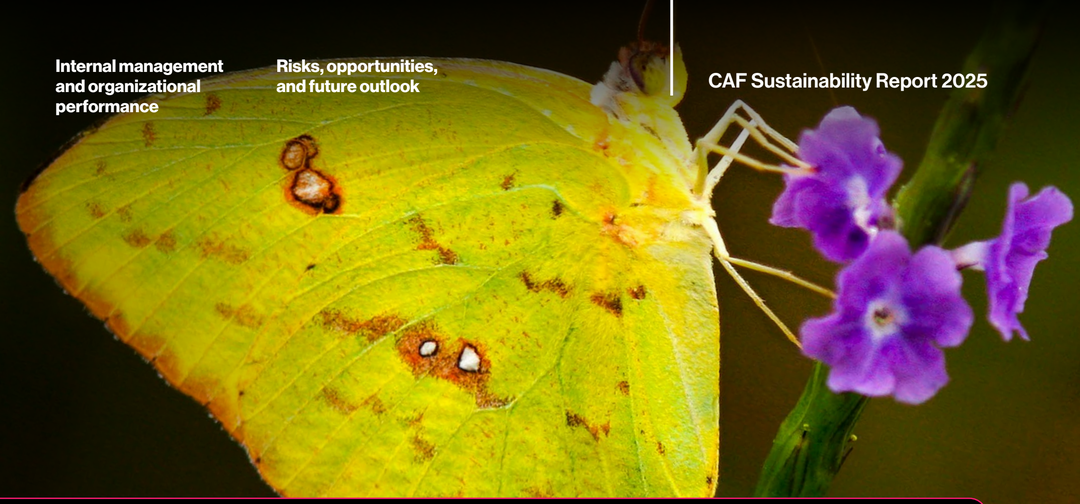
As part of its engagement with stakeholders, CAF maintains an ongoing dialogue with strategic partners, including governments outside the region, development banks, donors, investors, financial and philanthropic institutions, civil society organizations, and the private sector. The purpose of this engagement is to identify common development priorities, design joint solutions, and enhance the effectiveness and impact of the Bank's interventions.

CAF interacts with these partners through agreements and joint initiatives, institutional meetings, technical missions, regional forums, and coordination mechanisms linked to the operations cycle. This collaborative approach is a central component of CAF's resource mobilization and financial cooperation model.

Coordination with multilateral and bilateral partners, global funds, and the private sector enables the co-creation of solutions and the mobilization of resources toward development priorities. These collaborations include co-financing schemes, technical cooperation, and other financial instruments that complement CAF's own financing and expand the scope of its operations. As a result, the volume of financing available to member countries increases, financing conditions improve, and portfolio preparation and the development of partnerships in priority territories and sectors are strengthened.

These efforts are reflected in:

- Greater financial leverage.
- Increased mobilization of concessional and non-reimbursable resources.
- Strengthening of CAF's position as a regional platform for mobilizing resources toward sustainable development.



Resource Mobilization

GRI 203-2

In 2025, CAF continued to strengthen its work with strategic partners to direct resources to the region, mobilizing USD 2,362 million from third parties for operations in member countries. Of this total, USD 1,474 million came from private capital, reflecting the growing role of this type of financing in closing investment gaps in Latin America and the Caribbean.

The mobilization of resources constitutes one of the main indirect economic impacts generated by CAF's operations, as it expands the scale of financing available for public and private investments and facilitates the participation of international financial actors in development projects.

Table 2.4

Notable Resource Mobilization Operations With Green Financing

Operation	Partners	Country	Total amount mobilized
A/B Loan Engie Renovables Chile	Banco Bilbao Vizcaya Argentaria, S.A. New York Branch (BBVA); Crédit Agricole Corporate and Investment Bank (CACIB); Sumitomo Mitsui Banking Corporation (SMBC)	Chile	USD 150 million
National Forestry Policy Support Program	Central American Bank for Economic Integration (CABEI)	Panama	USD 75 million
Program to Support Decentralization and Biodiversity in Territories	OPEC Fund	Colombia	USD 150 million

Non-reimbursable and Concessional Resources

GRI 2-6, GRI 201-4

CAF channels contributions from strategic partners through cooperation funds and facilities, as well as through other forms of third-party resources, both non-reimbursable and concessional. These resources are primarily allocated to technical cooperation, project preparation, institutional strengthening, and co-financing schemes.

These resources are managed separately from the Bank's own resources, which helps increase the viability of investments and enhance the impact of operations in member countries.

In 2025, the largest share of non-reimbursable and concessional resources managed by CAF came from international climate funds. Specifically, the Green Climate Fund (GCF) accounted for 61 % of the total, followed by the Global Environment Facility (GEF) with 19 % and the Adaptation Fund (AF) also with 19 %. Additionally, the Green Action Fund (GAF) of the Spanish Foundation for the Environment accounted for 1 %. Together, these resources reached a total mobilized amount of USD 154 million.

International Positioning and Strategic Forums

During 2025, CAF strengthened its visibility and international positioning as a platform for forging partnerships for sustainable development through its participation in high-level strategic forums. This presence helped deepen institutional relationships, generate cooperation opportunities, and consolidate its role as a key financial partner for Latin America and the Caribbean.

Table 2.5

Participation in International Forums and Impact

International forums

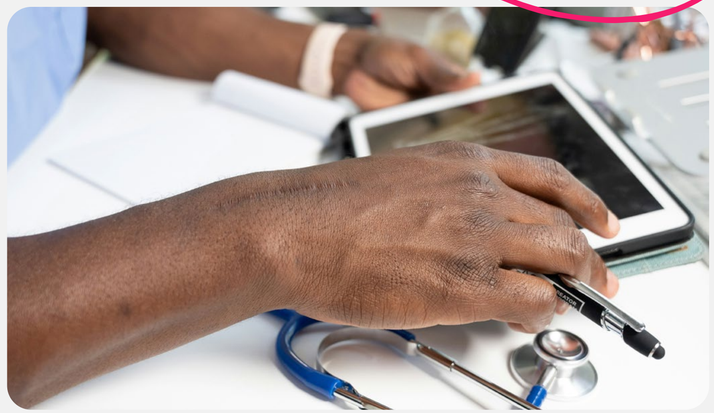
- 10th India–LAC Conclave, New Delhi, and Global LATAM 2025, Madrid.
- 4th CELAC–EU Summit.
- APEC 2025 Finance Ministers' Meeting, Korea.
- Blue Economy and Finance Forum, Monaco.
- CSW69 and Beijing+30 Commemoration, New York.
- Fourth Conference on Financing for Development (FfD4), Seville.
- International Economic Forum of Latin America and the Caribbean.
- LAC–EU Business Forum.
- Third United Nations Conference on the Oceans (UNOC3), Nice.

Impact

- Deepening relationships with the European Union, development banks, sovereign wealth funds, United Nations agencies, philanthropic foundations, and the private sector, generating a pipeline of projects, technical cooperation, and co-financing opportunities.
- Consolidation of regional hubs in Seville, Santa Marta, Osaka, and New Delhi, strengthening CAF's role as a facilitator between Latin America, Europe, and Asia.

Strategic Agreements

The signing of agreements and memorandums of understanding (MoUs), as well as the development of operational alliances with strategic partners, allowed CAF to strengthen cooperation in priority areas of sustainable development, such as biodiversity and nature-based solutions, early childhood and well-being, the circular economy, sustainable infrastructure, and health. **Below are some of the key advances:**



Biodiversity, Ecological Restoration, and Nature-Based Solutions

CAF formalized an agreement with the Royal Botanic Garden of Madrid to promote biodiversity conservation, ecological restoration, and the exchange of scientific knowledge between Spain and Latin America and the Caribbean. CAF also advanced, together with the New York Botanical Garden, the formulation of a technical cooperation initiative in Peru, Brazil, and Colombia aimed at developing flora-based solutions. This cooperation includes strengthening the Quinta de San Pedro Alejandrino Botanical Garden and conducting studies on the Manzanares River in Colombia.

Early Childhood, Children, and Youth

In partnership with the United Nations Children's Fund (UNICEF), CAF launched the *Banco Futuro LAC* initiative, aimed at improving the well-being of 50 million children and youth in Latin America and the Caribbean, with the goal of mobilizing USD 5,000 million over a five-year period, under the *Child-Lens Investing Framework*. Complementarily, the MoU with the Van Leer Foundation aims to strengthen evidence-based policies and initiatives for comprehensive early childhood development in member countries. Additionally, CAF, in partnership with the Real Madrid Foundation, is implementing the "Support for Social Sports Schools" project, which promotes the inclusion and development of 2,250 vulnerable children and youth in Colombia and Bolivia.

Circular Economy, Waste, and Climate Resilience

CAF signed an agreement with the International Atomic Energy Agency (IAEA) to establish a framework for cooperation on environmental protection, water management, energy resilience, circular economy, waste management, and food systems in the face of climate change. Additionally, CAF was selected for the Knowledge Sharing Program (KSP) of the Ministry of Economy and Finance of Korea (MOEF) to strengthen capacities in the recovery and upgrading of the waste management system in Bogota, complementing initiatives in Ecuador (urban mobility) and Panama (circular economy). Furthermore, in partnership with Tetra Pak, CAF is promoting projects in Brazil and Colombia aimed at encouraging source separation and increasing the collection of recyclable materials through environmental education, social mobilization, and coordination with the public sector, waste picker cooperatives, and communities.



Health, Universal Coverage, and Innovation

Within the framework of the United Nations General Assembly (UNGA80), CAF signed an agreement with PATH to contribute to the advancement of SDG 3 (Good Health and Well-Being) by strengthening health systems toward universal coverage, with an emphasis on equity, resilience, digitalization, and health infrastructure. Likewise, CAF and the United Nations Population Fund (UNFPA) signed an agreement to promote sexual and reproductive rights, comprehensive health, and the autonomy of adolescents and women through innovative financing mechanisms and joint actions in the region. For its part, CAF and the Pan American Health Organization (PAHO) established a multiregional partnership aimed at strengthening health systems, epidemiological surveillance, and financial innovation for the elimination of malaria.

Sustainable Infrastructure and Project Financing

CAF established a partnership with the COX Group through a **USD 30 million** loan aimed at promoting sustainable infrastructure investments, particularly in the water, energy, and transmission sectors. In 2025, CAF renewed its credit line with the Export-Import Bank of Korea (KEXIM) for **USD 200 million**, consolidating a stable source of financing for infrastructure, energy, and connectivity projects. It also signed an agreement with the Saudi Fund for Development (SFD) to expand financing for sustainable infrastructure projects in the region. Furthermore, CAF and the United Nations Office for Project Services (UNOPS) signed a procedural agreement to streamline the joint implementation of projects, adhering to standards of efficiency and transparency. In this context, the MoU with the European Investment Bank (EIB) remains a strategic partnership, focused on strengthening technical and financial cooperation in climate action and resilient infrastructure.

Priorities for 2026

Looking ahead to 2026, CAF is focusing its efforts on consolidating its position as a global platform for partnerships in the service of sustainable development in Latin America and the Caribbean, with an emphasis on:

- Diversifying partners, instruments, and themes for resource mobilization.
- Strengthening monitoring systems and impact metrics.
- Consolidating its participation in the international financial architecture, including platforms such as IDFC, FiCS, APEC, FfD, and United Nations system conferences.
- Integrating resource mobilization and strategic partnerships early in the transaction structuring cycle, including triangular cooperation schemes with partners from Europe, Asia, Africa, and the Middle East.

Greener Operations
Institutional Strengthening
Physical and Digital Infrastructure
Just Energy Transition
Climate-Resilient Territories
Biodiversity and Ecosystem Services



Mission impact: green bank and climate action

Greener Operations

GRI 3-3

CAF's management focused on maximizing the volume and proportion of green financing, meeting institutional blue economy targets ahead of schedule, and advancing the alignment of operations with the Paris Agreement. This approach reinforced the coherence between the Bank's climate strategy, business model, and financial action by strengthening the use of sustainable financial instruments, including the issuance of thematic bonds, as part of its institutional green financing agenda.

CAF reached an all-time high in green financing: 44 % of the Bank's approvals were green exceeding USD 8,000 million, exceeding the established annual target of 40 % for 2026 ahead of schedule for the second consecutive year.

Overall, these greener operations consolidated CAF's position in climate finance, biodiversity, and sustainability; expanded access to green and concessional resources across the region; and reinforced the portfolio's alignment with global climate commitments, in line with the Paris Agreement and the commitments made for 2030.

Green Portfolio Results

Twelve percent of green financing (approvals totaling USD 910 million) was allocated to fund investments and support public policies related to climate action, biodiversity, the blue economy, disaster risk reduction, green finance, and sustainable agricultural prosperity in Colombia, Ecuador, Honduras, and Panama. These operations consolidated the progress of the green portfolio and its contribution to the region's climate and environmental agenda.

In the area of the blue economy, CAF made progress in fulfilling its institutional commitments, exceeding the goal of allocating USD 1,250 million between 2022 and 2026. Additionally, regarding the design of the methodology for aligning operations with the Paris Agreement, it began a pilot implementation with a view to its systematic application starting in 2026.

Key strategic partnerships to promote green operations

The following partnerships and affiliations stand out in 2025:

Signing of a letter of intent with the West African Development Bank (BOAD): to strengthen cooperation within the IDFC Network and continue advancing toward more ambitious and transparent climate action. This agreement reinforces technical exchange, the harmonization of methodologies, and South-South cooperation through a carbon measurement methodology developed by CAF, which will be key to improving emissions tracking and promoting climate projects in the region.

Joining the FAO Food and Agriculture for Sustainable Transformation (FAST) Partnership: FAST is a multisectoral partnership that seeks to catalyze and accelerate the transformation of agricultural and food systems by 2030, for the benefit of people, the climate, and nature. FAST structures its working groups around three interrelated pillars: 1) access to finance; 2) knowledge and capacity; and 3) policy support and dialogue.

Memorandum of Understanding between CAF and the UNCCD Global Mechanism: aimed at strengthening the capacities of Latin American and Caribbean countries to accelerate the implementation of the United Nations Convention to Combat Desertification (UNCCD) and mobilize financing for drought prevention, as well as land restoration and conservation. In this context, CAF also approved an initial regional technical cooperation initiative to implement the MoU, which was launched at the 23rd session of the Committee for the Review of the Implementation of the Convention (CRIC) in Panama.

Membership in the Santiago Network: through its membership, CAF brings a solid track record in technical assistance, resource mobilization, and partnerships to support countries in the region in preventing, minimizing, and addressing losses and damages, promoting comprehensive risk management and nature-based solutions.

Finally, CAF also strengthened its ties with other regional development banks, presenting—together with the Inter-American Development Bank (IDB) and the Caribbean Development Bank (CDB)—the Caribbean Debt-for-Resilience Swap Initiative, which seeks to create fiscal space for investments in resilience without increasing debt.

Greener Operations

Institutional Strengthening
Physical and Digital Infrastructure
Just Energy Transition
Climate-Resilient Territories
Biodiversity and Ecosystem Services

Enabling technical cooperation

CAF complemented its agenda for greener operations through technical cooperation aimed at strengthening the institutional capacities of the sovereign and non-sovereign sectors, as well as advancing the alignment of CAF's operations with international climate and environmental standards.

The following technical cooperation initiatives stand out:

Name of the technical cooperation	Amount	Objective	Description
Phase two of the National Sustainable Finance Capacity Builidng Program	USD 350,000	To strengthen the capacities of the public sector (Ministries of Finance) and public and private banking actors in Latin America and the Caribbean (LAC) to channel capital flows toward investments that contribute to low-emission, resilient, and inclusive growth, based on the Sustainable Development Goals (SDGs) and Nationally Determined Contributions (NDCs).	• Beneficiaries: multinational (Brazil, Colombia, Panama, Peru, and Uruguay). • Support the consolidation of a sustainable financial system. • Support the disclosure of information on climate and environmental risks and opportunities in financial terms, contributing to investor awareness. **Related SDGs:** 
Strengthening CAF's environmental, social, and governance (ESG) practices in accordance with international sustainability standards and developing the Institutional Corporate Sustainability Strategy	EUR 125,000	Coordinate and develop CAF's corporate sustainability strategy, including strengthening the process of disclosing and reporting sustainability information, in accordance with applicable international frameworks that align with CAF's objectives and strategy.	**Related SDGs:** 
Sectoral guidelines for climate resilience and low-emission development in the context of alignment with the Paris Agreement	USD 100,000	Generate technical inputs to provide sectoral guidance and strengthen internal capacities to guide the alignment of CAF's loan operations and equity investments with best practices in terms of climate resilience and low-greenhouse-gas-emission development.	• Define and implement an optimal methodological approach and sectoral guidelines consistent with the regional context and international best practices. • Strengthen capacities across business areas, originators, and transaction evaluators. **Related SDGs:** 

Institutional Strengthening

GRI 3-3

Institutional strengthening is a key enabler for public investments to generate sustainable results and improve the population's quality of life.

In 2025, CAF consolidated its support for subnational governments and public entities responsible for providing basic services, with a special emphasis on sectors linked to territorial responsibilities, such as drinking water, sanitation, water systems management, transportation and urban mobility, power generation, transmission and distribution, and social infrastructure.

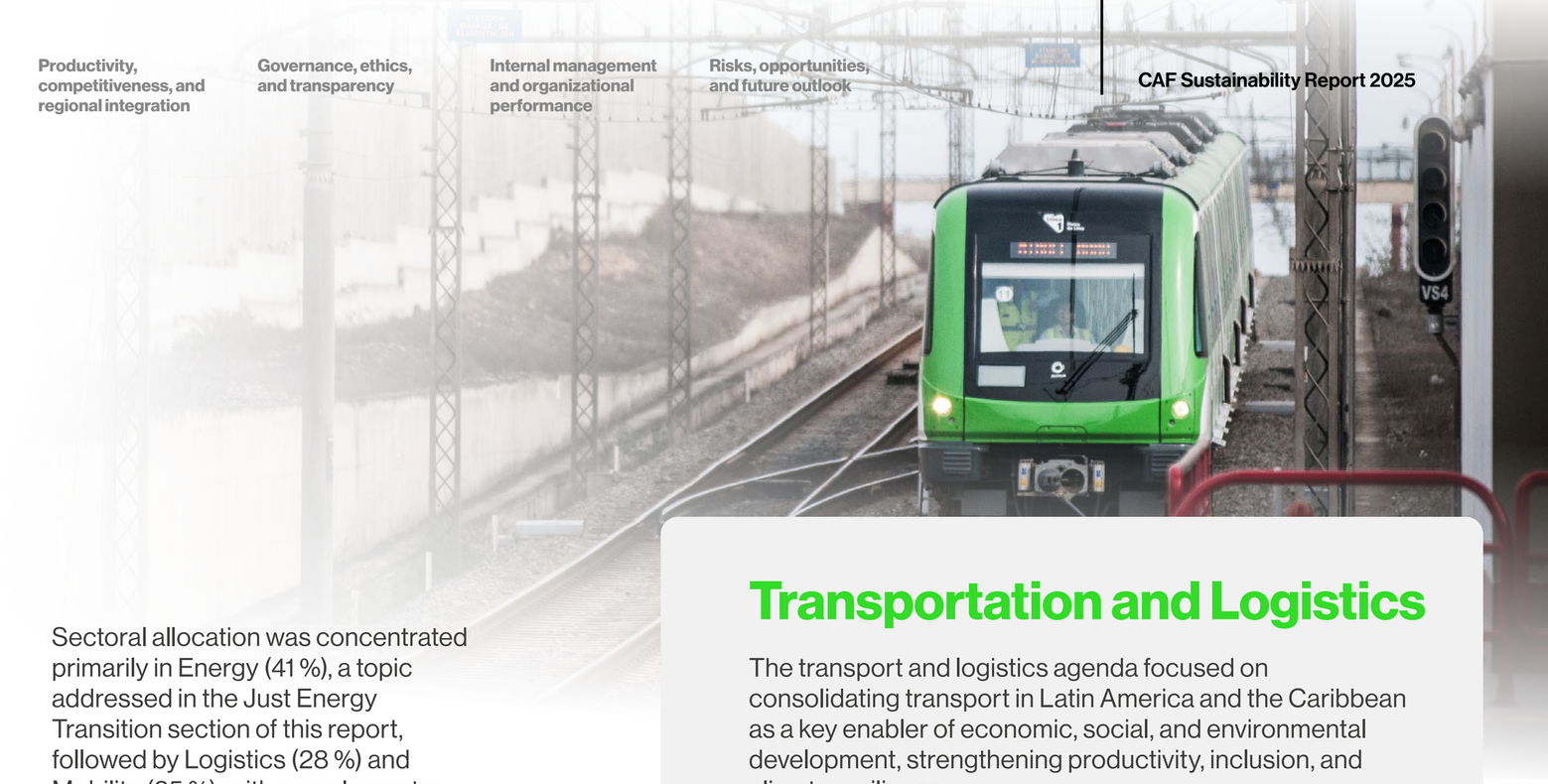
CAF focused its efforts on strengthening the technical, administrative, and operational capacities of public entities and local governments, ensuring that infrastructure investments are supported by robust management structures. It also supported the improvement of internal processes, sectoral planning, and the financial sustainability of public enterprises and local governments, promoting management frameworks that ensure the continuity, quality, and resilience of public services, particularly in the face of climate risks, operational pressures, and challenges related to competitiveness and productivity in the provision of these services.



Loan Operations and Technical Cooperation

CAF's loan operations and technical cooperation initiatives aimed at local governments and public enterprises seek to improve the efficiency of public resource use, strengthen institutional governance, and build sustainable capacities within local administrations, thereby reducing structural gaps in the provision of essential services.

Within this framework, CAF has supported significant operations with strategic companies in the energy and public services sector in the region, such as Electrificadora de Santander (ESSA) in Colombia, an electricity distribution company; and Cálidda in Peru, a natural gas distribution concessionaire in Lima and Callao. Also noteworthy is the OSE 4.0 operation—Modernization of State Sanitation Works—in Uruguay.



Physical and Digital Infrastructure

GRI 3-3

In 2025, CAF continued to contribute to the sustainable and inclusive development of Latin America and the Caribbean through an integrated physical and digital infrastructure agenda, aimed at closing structural gaps, improving regional competitiveness, and strengthening the provision of essential public services. This agenda encompassed projects in critical energy and minerals, transportation and logistics, integration and trade, digital transformation and citizen services, as well as sustainable tourism.

CAF approved 23 loan operations in 11 countries totaling USD 4,081 million, of which 42 % were sovereign operations, and 58 % were non-sovereign operations, reflecting a balanced portfolio between public and private infrastructure financing.

Sectoral allocation was concentrated primarily in Energy (41 %), a topic addressed in the Just Energy Transition section of this report, followed by Logistics (28 %) and Mobility (25 %), with complementary shares in Roads (5 %) and Digital (1 %). Additionally, resources associated with the green portfolio increased by 60 % compared to the previous year. This composition reflects the priority given to enabling infrastructure for productive competitiveness, territorial integration, and the provision of essential services.

Transportation and Logistics

The transport and logistics agenda focused on consolidating transport in Latin America and the Caribbean as a key enabler of economic, social, and environmental development, strengthening productivity, inclusion, and climate resilience.

Its efforts were structured around three pillars:

Logistics, through the optimization of logistics chains with multimodal solutions, strategic infrastructure, and technologies that increase efficiency and sustainability.

Urban mobility, by promoting sustainable, safe, and inclusive transportation systems with low emissions, encouraging active mobility and universal accessibility.

Infrastructure, aimed at improving connectivity and territorial cohesion through resilient infrastructure, greater rural access, and more equitable regional transportation.

THE FOLLOWING LOAN OPERATIONS ARE NOTEWORTHY

Name of the loan operation	Amount	Objective	Related SDGs
Quito Metro Line 1 Extension Project (Labrador–La Ofelia Section)	USD 80 million	To design and build a safe, economical, fast, and environmentally sustainable system that serves as the backbone of the city's Integrated Metropolitan Transportation System (SITM) and contributes to improving mobility in the Quito Metropolitan District.	
Comprehensive Urban and Metropolitan Logistics Program for Greater Rosario, Santa Fe	USD 150 million	Expand the AP-01 Santa Fe–Rosario highway and the RP-91 access road to Timbúes.	
Program to Support Railway Revitalization, Sustainable Mobility, and Logistics Efficiency	USD 300 million	Strengthen the revitalization of the Colombian railway system, the electrification of public transportation, and the reduction of logistics costs, thereby enhancing the country's competitiveness and contributing significantly to the reduction of carbon emissions.	

THE FOLLOWING TECHNICAL COOPERATION PROJECTS ARE HIGHLIGHTED

Name of the loan operation	Amount	Objective	Related SDGs
Technical support for the credit line of the Montevideo Metropolitan Public Transport System	USD 300,000	Transform transportation in the Montevideo metropolitan area, benefiting 1.3 million residents.	
Rural Roads Program for Latin America and the Caribbean	USD 230,000	To improve secondary and tertiary road infrastructure in the region in order to reduce poverty, strengthen food security, foster inclusive economic development, improve connectivity, and promote environmental, social, and economic sustainability.	
Bogota–Cundinamarca Multimodal Integration Project	USD 2,625 million (MCDF)	Establish a network of multimodal terminals for the integrated management of passenger transport.	

* Multilateral Cooperation Center for Development Finance (MCDF).

Digital Transformation and Citizen Services

CAF's agenda on digital transformation and citizen services focused on strengthening the region's digital ecosystem through the development of data infrastructure, public innovation, and the promotion of the digital economy, fostering inclusive digital services for governments, households, and productive sectors.

The initiative was structured around three pillars:

Connectivity and digital infrastructure, focused on data transport, storage, and processing.

Digital modernization of the public sector, which includes digital identity and payments, interoperability, fiscal management, integrity and transparency, and cybersecurity.

The digital economy, aimed at advancing artificial intelligence, Industry 4.0, and the ecosystem of technology startups (Agtech, Govtech, Fintech, Edtech, and eHealth), enabling digital transformation and the improvement of citizen services.

THE FOLLOWING LOAN OPERATIONS ARE NOTEWORTHY

Name of the loan operation	Amount	Objective	Related SDGs
Telemedicine Phase II in El Salvador	USD 75 million	Strengthen digital health infrastructure and expand remote healthcare coverage.	3 GOOD HEALTH AND WELL-BEING
Educational Modernization in El Salvador	USD 100 million	Improve school infrastructure, educational technologies, and teaching capacities.	4 QUALITY EDUCATION

THE FOLLOWING TECHNICAL COOPERATION PROJECTS ARE NOTEWORTHY

Name of the loan operation	Amount	Objective	Related SDGs
Data Center in Trinidad and Tobago	USD 30 million	Ensure high availability, data sovereignty, and disaster resilience with a Tier IV data center.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS
OSE 4.0 in Uruguay	USD 63 million	Modernize water and sanitation services using artificial intelligence, IoT, and circular economy principles.	6 CLEAN WATER AND SANITATION; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
Millicom	USD 50 million	Expand telecommunications infrastructure and reduce digital and financial divides in the region.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 10 REDUCED INEQUALITIES; 17 PARTNERSHIPS FOR THE GOALS

Sustainable Tourism

CAF's sustainable tourism agenda focused on promoting the development of sustainable tourism in Latin America and the Caribbean as part of its commitment to inclusive growth and positioning CAF as a green bank, while also promoting the "Region Brand" to consolidate a regional identity based on sustainability and integration.

Within this framework, a cultural and creative tourism initiative was also incorporated, aimed at highlighting cultural heritage, creative industries, and local identities—such as gastronomy, literary routes, religious tourism, and audiovisual productions—as drivers of territorial development.

To achieve this, CAF structured its efforts around four pillars:

Investment programs for the national public sector.

Innovative financing for subnational entities.

Innovative financing for the private sector.

Pre-investment and technical cooperation programs, which enable the preparation of projects, the mobilization of resources, and the strengthening of capacities to maximize the impact of tourism in the regions.



THE FOLLOWING TECHNICAL COOPERATION INITIATIVES STAND OUT

Name of the loan operation	Amount	Objective	Related SDGs
Prospective Study on Tourism 2035 LAC	USD 100,000	To design a prospective tourism plan for CAF countries through the year 2035, using a participatory and comparative process that identifies global trends, future scenarios, and strategic lines of action, integrating sustainability, social inclusion, and digitalization, so that it serves as a useful tool for tourism authorities in member countries in the design of their national policies and strategies.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Opportunities for sovereign investment in tourism	USD 80,000	Strengthen the portfolio of national and subnational financing operations in the tourism sector through three lines of action: (i) coordination of tourism development policies among the region's ministries, secretariats, and undersecretariats of tourism; (ii) training officials from these institutions in the identification, formulation, and evaluation of tourism projects and programs; and (iii) development of a prioritized and financeable project pipeline.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Just Energy Transition

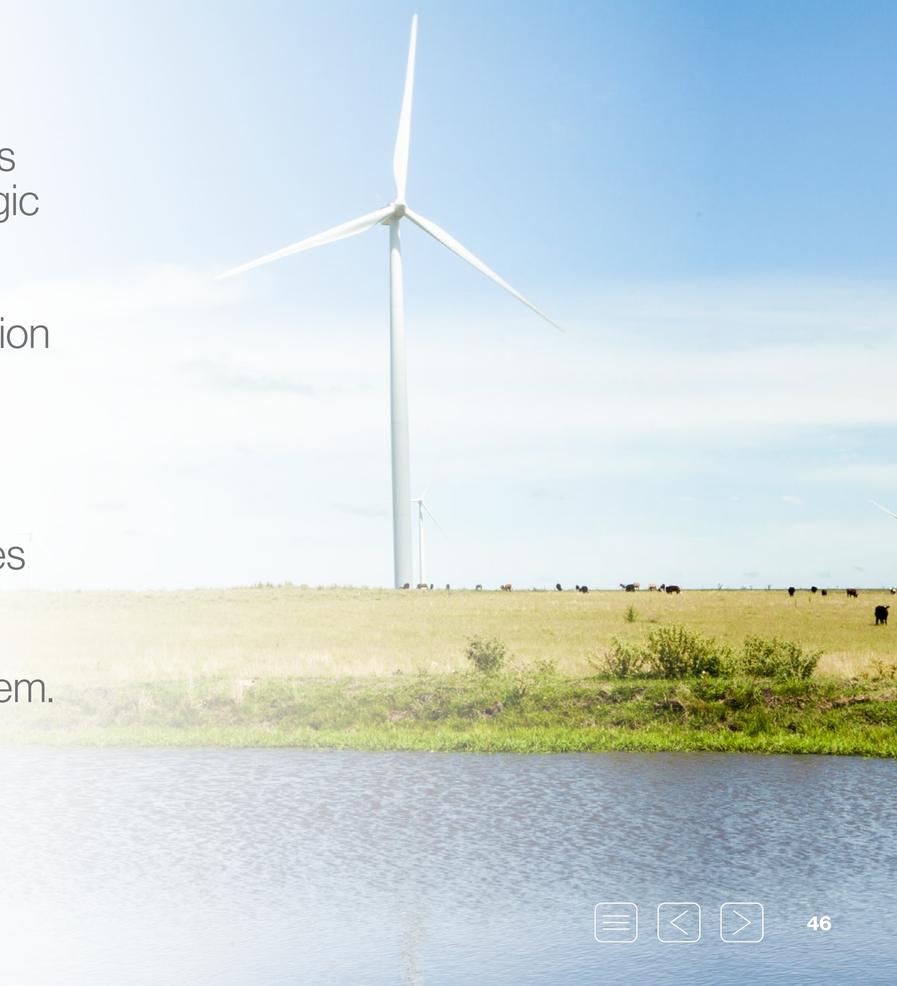
GRI 3-3

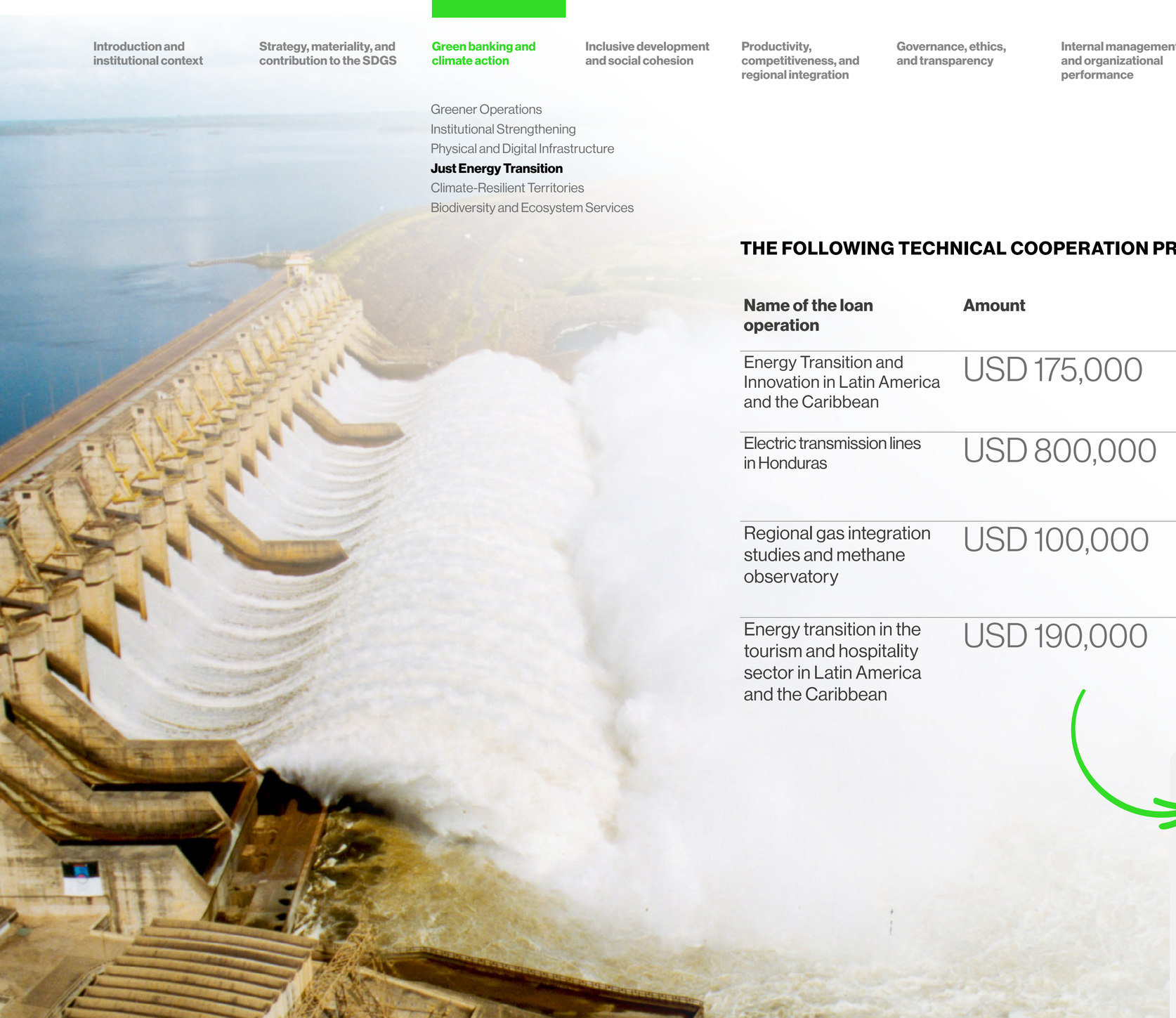
CAF's agenda on strategic energy and minerals is geared toward driving a just energy transition in the region, promoting sustainable, resilient, and inclusive energy systems. This approach integrates climate change mitigation, energy security, and productive development, with the aim of reducing greenhouse gas emissions while ensuring universal coverage, quality, and affordability of electricity service, as well as the robustness of national electricity systems.

Priority is given to financing projects in:

- Electricity generation from renewable, conventional, and unconventional sources.
- The use of gas as a transition fuel, as it is less polluting.
- Responsible development of critical minerals, such as lithium and copper.
- Strengthening of transmission and distribution systems
- Development of electrical energy storage technologies.
- Electricity interconnections and gas integration.
- Hydrogen as a new energy vector.

CAF approved loan operations aimed at strengthening strategic energy infrastructure. Of particular note is the National Transmission System Expansion Program (PESNT) in Ecuador (USD 223 million), aimed at expanding and modernizing the electricity transmission infrastructure through new lines and transformer equipment, contributing to the safety and reliability of the electricity system.





THE FOLLOWING TECHNICAL COOPERATION PROJECTS ARE NOTEWORTHY

Name of the loan operation	Amount	Objective	Related SDGs
Energy Transition and Innovation in Latin America and the Caribbean	USD 175,000	Generate knowledge on energy storage, critical minerals, and emerging technologies.	7, 9, 13
Electric transmission lines in Honduras	USD 800,000	Strengthen the capacity, reliability, and resilience of the national electricity system.	7, 9, 13
Regional gas integration studies and methane observatory	USD 100,000	Improve energy planning and support emissions reduction in the energy sector.	8, 9, 13
Energy transition in the tourism and hospitality sector in Latin America and the Caribbean	USD 190,000	Reduce the sector's carbon footprint through sectoral plans and implementation manuals.	7, 9, 12, 13

As part of its regional role, CAF developed and published strategic studies such as **"Green Hydrogen in Latin America and the Caribbean" and "Artificial Intelligence and Energy,"** and signed a memorandum of understanding with the International Atomic Energy Agency (IAEA) aimed at promoting initiatives for decarbonization, energy security, and diversification of the energy mix in the region.

Climate-Resilient Territories

GRI 3-3

CAF continued to strengthen its contribution to the development of territories resilient to climate change, in alignment with its corporate strategy and the Mission Agenda for Resilient Territories. The strategic focus was on diversifying the portfolio to ensure compliance with institutional goals and commitments, through the development of innovative financial and non-financial instruments, including guarantees, a pre-feasibility analysis of a subnational guarantee fund, territorial development strategies aimed at competitiveness and productivity, and regional-scale support.

In this context, CAF made progress in fulfilling the commitment made to the Board of Directors to allocate one-third of the 2021 capitalization to strengthening regional and local governments. During 2025, 26 operations totaling USD 2,100 million were approved, including public and private sector interventions aimed at closing territorial gaps.

Water security was established as a strategic agenda aimed at ensuring safe access to water, improving sanitation services, promoting efficient water resource management, and reducing pollution. As part of the voluntary commitment made to the United Nations to reach USD 4,000 million in approvals between 2023 and 2026, operations totaling nearly USD 940 million were approved in 7 countries in 2025, bringing the cumulative total to over USD 3,400 million (85 % of the target). CAF PPSA established itself as a key enabling instrument for fulfilling this commitment.

At the same time, progress was made on emerging agendas such as Adequate Housing and Habitat, Human Mobility, Solid Waste, and Cultural and Creative Economies (E2C). In addition to the technical support provided, three operations totaling USD 390 million were approved: the Program to Support Honduras' National Human Mobility Strategy, the Más Barrio Program in Uruguay, and the Santa Marta Development Plan in Colombia.

In the area of urban solid waste, the first pre-investment studies were approved through the CAF PPSA facility, including resources to structure future operations in the sector in Peru. Likewise, the first umbrella technical cooperation project in Human Mobility was approved for USD 400,000, which enabled the mobilization of USD 4.6 million through the Migration Task Force for Latin America and the Caribbean.

In 2025, CAF consolidated a network of 54 global partners, mobilizing more than USD 30 million to advance sustainable territorial development agendas.

Notable highlights include the partnership with the Mayors Migration Council to support cities in developing local solutions to human mobility; the designation of CAF, together with the Latin American Water Council, by the World Water Council to lead the Regional Report of the Americas for the 2027 World Water Forum; and the joint agenda with C40 on sustainable urban development, climate adaptation, and climate finance, which includes support for project preparation.

Finally, CAF consolidated the BiodiverCiudades Network as a key instrument for integrating its commitments as a green bank and ally of subnational governments, promoting sustainable urban interventions based on biodiversity and green infrastructure. Between 2021 and 2025, in collaboration with the Alexander von Humboldt Institute and UN-Habitat, a network of 232 cities committed to enhancing and conserving biodiversity was established.

Following an initial awareness-raising phase, the network formalized its operations through a governance model agreed upon with the cities, accompanied by a concrete offering of products, services, and financing, complemented by workshops, seminars, and events. Within this framework, CAF and the Adaptation Fund launched the regional Adapting BiodiverCities (ABC) program, which will allocate USD 12 million in non-reimbursable resources between 2026 and 2028 to drive innovative local actions, strengthen community capacities, and promote inclusive and sustainable urban resilience.

THE FOLLOWING LOAN OPERATIONS ARE NOTEWORTHY

Name of the loan operation	Amount	Objective	Related SDGs
Hatillo Dam Diversion Project (Dominican Republic)	USD 300 million	To contribute to water security in Greater Santo Domingo by increasing the supply of drinking water (5 m³/s) and strengthening the institutional capacity of the CAASD, in order to ensure the continuity and sustainability of the service in the face of growing demand and climate vulnerability.	6 CLEAN WATER AND SANITATION; 13 CLIMATE ACTION; 15 LIFE ON LAND
Más Barrio Program (Uruguay)	USD 250 million	Promote comprehensive urban development and housing interventions in areas with high concentrations of vulnerability, socio-territorial exclusion, and violence. **Beneficiaries:** 10,000 people.	10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Programa de Cierre de Brechas del Sistema Penitenciario Nacional (Peru)	USD 800 million	Contribute to the strengthening and improvement of the prison system within the framework of the National Prison Policy to 2030. **Beneficiaries:** 28,000 people.	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 10 REDUCED INEQUALITIES; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Programa Integral de Fortalecimiento de la Infraestructura Urbana en Guayaquil (Ecuador)	USD 112 million	Promote comprehensive and sustainable urban development. **Beneficiaries:** 2.5 million people.	3 GOOD HEALTH AND WELL-BEING; 6 CLEAN WATER AND SANITATION; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Name of the loan operation	Amount	Objective	Related SDGs
EMASESA - Partial financing of the 2024–2027 water investment plan (Spain)	USD 50 million	Contribute to strengthening water resilience and environmental sustainability in the city of Seville and its metropolitan area through partial financing of its 2024–2027 Investment Plan. **Beneficiaries:** Seville and metropolitan area.	
Water and Sanitation Sector Strengthening Program (Antigua and Barbuda)	USD 60 million	To support the Government of Antigua and Barbuda in the effective implementation of public policies and strategic initiatives for climate change adaptation and mitigation in the water and sanitation sector, which will strengthen water resilience, improve service efficiency and sustainability, and contribute to the country's sustainable development. **Beneficiaries:** 102,000 people.	



THE FOLLOWING TECHNICAL COOPERATION PROJECTS ARE HIGHLIGHTED

Name of the loan operation	Amount	Objective	Related SDGs
Water resilience in the face of droughts: from emergency response to planning in Bolivia, Chile, and Uruguay	USD 200,000	Identify and formulate effective measures and policies for drought risk reduction in Bolivia, Chile, and Uruguay, tailored to national conditions and priorities. • Proposals and management models for Chile. • Investment proposals and roadmap for Bolivia. • Water resilience roadmap for Uruguay.	
Strengthening the Technical Capacities of Subnational Governments in Ecuador	USD 200,000	Develop and implement mechanisms to strengthen the capacities of subnational governments, both in fiscal management and in the various stages of the planning and development cycle for investment projects. **Beneficiaries:** 27 medium-sized cities.	
CAF-PPSA: Studies for the formulation of investment projects in integrated solid waste management in prioritized provincial municipalities in Peru	USD 1.5 million	Conduct pre-investment studies for prioritized projects on integrated solid waste management that ensure technically, environmentally, and socially sustainable solutions, to make the necessary investments in cleaning services and the restoration of degraded areas in selected municipalities viable. **Beneficiaries:** 2.1 million people.	
Support for the implementation of Uruguay's decentralization agenda	USD 450,000	Support the identification and prioritization of projects to strengthen the capacities of Uruguay's regional governments. **Beneficiaries:** 19 municipalities in Uruguay.	

Name of the technical cooperations	Amount	Objective	Related SDGs
Support for exploring business opportunities and strategic alignment in the housing and habitat sector in Latin America and the Caribbean	USD 130,000	Strengthen countries' strategic and technical capacity to advance toward adequate, sustainable, and inclusive housing by identifying and pre-originating business opportunities, aligning their initiatives with CAF's Housing Strategy, and generating sectoral knowledge to position CAF as a strategic partner in the region.	11 SUSTAINABLE CITIES AND COMMUNITIES
Support for strengthening human mobility projects in Latin America	USD 400,000	Support cities in CAF member countries in the structuring and implementation of human mobility projects in Latin America and the Caribbean, in coordination with clients and strategic partners. Beneficiaries: migrant populations in Bogota and Quito.	10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Biodiversity and Ecosystem Services



GRI 3-3; 101-1

CAF has approved an Environmental and Social Framework at the policy level and an Environmental and Social Management Framework (MGAS), which includes the Safeguard for the Conservation of Biological Diversity (S03) at the guideline level.

The core objectives of S03 are:

To protect and conserve native biodiversity and the integrity of ecosystems, as well as ecosystem services;

To prevent and, where this is not possible, mitigate the negative impacts generated by public and private operations financed by CAF, requiring compensation for significant residual impacts.

Complementarily, CAF has launched relevant strategies such as

- BioCAF (2022–2026).
- Agricultural Prosperity (2025).
- Strategic Ecosystems Program (2024).
- Blue Economy and Oceans (2025).
- Forest Strategy (2025).

These strategies align with the 2030 targets of the Kunming-Montreal Global Biodiversity Framework, the Sustainable Development Goals (SDGs), and the Paris Agreement, prioritizing the restoration of strategic ecosystems such as the Amazon, wetlands, and reefs, and strengthening institutional capacities, inclusive governance, and regional cooperation to ensure lasting impacts on conservation and sustainable development.

Identification and Assessment of Impacts on Biodiversity Funded Operations

GRI 3-3, 101-2

The Biodiversity Conservation Safeguard applies to all loan operations, with both public and private clients, that may generate negative impacts on biodiversity and ecosystem services. CAF adheres to an environmental and social review process throughout the entire credit cycle (origination, evaluation, formalization, and administration) to ensure that the design, implementation, monitoring, and follow-up of impact management plans—prepared by borrowers—comply with the appropriate mitigation hierarchy:

- Avoid.
- Minimize.
- Restore or rehabilitate.
- Offset, as a last resort.

The objective of biodiversity offsetting is to achieve a net gain or a net zero loss of negative impacts on biodiversity in natural habitats and critical habitats.



In accordance with its Exclusion List, CAF will not finance **"operations or activities:**

In protected areas subject to special legislation, when the operation has the potential to jeopardize the objective for which the protected area was created.

Commercial logging operations using raw materials from primary tropical rainforests or primary tropical dry forests; production or trade of timber or other forest products not sourced from sustainably managed forests."

GRI 3-3, 101-3

The MGAS and S03 establish common and differentiated responsibilities between CAF and borrowers, and include guidelines on meaningful stakeholder engagement, grievance and complaint mechanisms, as well as requirements for monitoring, reporting, and communication.

GRI 3-3, 101-4, 101-5, 101-6

CAF uses tools based on geographic information systems (GIS) and matrices to map vulnerable areas, characterize and assess ecological sensitivity in the direct area of influence (DAI) and the indirect area of influence (IAI), categorize risks, and implement exclusions and safeguards. This facilitates site-specific reporting. This approach allows for the early identification of environmental risks and impacts, the consideration of the ecology of the intervention zones, and the promotion of design adjustments, eligibility conditions, or management requirements to mitigate impacts.

The Environmental and Social Assessment (EAS) of an operation is conducted by the client and submitted to CAF. In accordance with CAF's Environmental and Social Impact Assessment and Management Safeguard (S01), the identification and assessment of potential environmental impacts must be conducted within the DIA and the IIA. S01 and S03 guide the identification of the area of influence, as well as the characterization of the environment and the ecological assessment.

GRI 3-3, 101-7, 101-8

This scope includes the ecological baseline survey (habitats, key species, conservation status), the assessment of the significance of impacts (magnitude, duration, and reversibility), and prioritization based on ecological sensitivity and supply chain dependencies.

The EAS will identify potential direct, indirect, synergistic, and cumulative negative impacts. Among the critical factors to consider—direct drivers of biodiversity loss—are habitat fragmentation and degradation, habitat loss, land-use change, the alteration of natural processes (e.g., the diversion of watercourses or the alteration of water, nutrient, and sediment flows), the overexploitation of living natural resources (e.g., fishing, hunting, and gathering of wild flora and fauna), the introduction of exotic species, the creation of barriers that limit animal movement and ecosystem connectivity, as well as the use of traditional knowledge regarding native biodiversity.

When operations are linked to areas of high ecological importance or to ecosystem services critical for communities and productive sectors, CAF incorporates evaluation criteria and technical recommendations to prioritize the mitigation hierarchy and, where appropriate, promote rehabilitation, restoration, or conservation measures, as well as transformative measures associated with nature-based solutions.

This approach aligns with the logic of climate resilience: priority is given to ensuring that interventions not only reduce risks but also strengthen ecosystem services—such as water regulation, coastal protection, ecological connectivity, or the productivity of sustainable agricultural systems—to the extent that these services are critical for well-being and adaptation.

Beyond preventive management at the operational level, in 2025 CAF promoted a strategic approach to contribute to biodiversity and ecosystem services through regional initiatives and lines of action that integrate financing, technical cooperation, and knowledge. **These initiatives prioritize:**

Climate adaptation and resilience with an ecosystem-based approach.

The promotion of sustainable, resilient, and regenerative agricultural systems, recognizing that biodiversity and ecosystem services underpin development and socioeconomic stability.

The blue economy and ocean conservation.

Climate Adaptation and Resilience with an Ecosystem-based Approach

The main strategic focus was to strengthen climate action and biodiversity protection by consolidating a comprehensive approach that links agricultural prosperity with sustainable forest management, incorporating the nature economy into productive development decisions.

The management of this material issue generated significant positive impacts by consolidating an integrated approach, strengthening CAF's position as a regional actor in the nature economy. This seeks to contribute to positioning Latin American and Caribbean countries as providers of nature-based solutions, promoting sustainable production chains and improving the climate resilience of strategic sectors.

THE FOLLOWING LOAN OPERATIONS ARE NOTEWORTHY

Name of the loan operation	Amount	Objective	Descripción
Program to Support the National Forestry Policy in Panama	USD 300 million	To recognize the progress Panama has made in forest management and to encourage the continuation of policies that promote sustainable forest management, ecosystem conservation, and green financing.	The operation is structured around three key components aimed at strengthening forestry policy and consolidating investment in the sector: strengthening forest governance and regulation; green financing strategies; and sustainable management of forest resources. **Related SDGs:** ODS principal:  (15.b. Operations aimed at mobilizing resources for sustainable forest) Secondary SDGs: 
Program to Support Climate Action, Sustainability, and Biodiversity in Colombia	USD 350 million	Support public policy actions to address climate change and mitigate its effects, protect the environment and biodiversity, and promote sustainable finance in the country.	



Promoting a Sustainable, Resilient, and Regenerative Agricultural Sector

The main strategic focus was the development of the new Agricultural Prosperity Strategy, aimed at fostering a sustainable, resilient, and regenerative agricultural sector capable of strengthening food security and driving productive transformation in Latin America and the Caribbean.

The implementation of the **Agricultural Prosperity Strategy** promotes a more sustainable and resilient approach to the sector, directing investments toward productivity and food security. At the regional level, CAF seeks to promote more sustainable agricultural practices.

THE FOLLOWING LOAN OPERATIONS ARE NOTEWORTHY

Name of the loan operation	Amount	Objective	Description	Related SDGs
Coffee Grower Bond Program to Support Small and Medium-Sized Producers	USD 10 million	To strengthen coffee production by supporting small and medium-sized producers, promoting increased production, improved incomes for beneficiary families, and the restoration of productive areas, as well as the adoption of sustainable agricultural practices that ensure the conservation of natural resources and the mitigation of the impact of climate change.	Through the program, the Government of Honduras aims to: facilitate the acquisition of inputs and equipment for the renewal and increased productivity of farms; provide technical assistance and training services for coffee producers with a focus on ethnic diversity and a gender perspective; and support the formation and legalization of micro-enterprises providing field services, promoting the inclusion of women, indigenous peoples, and the Afro-Honduran population.	**Related SDGs:**  (2.3 Operations aimed at increasing agricultural productivity and the incomes of small-scale food producers, particularly vulnerable populations). **Secondary SDGs:** 
Transition Program for the Productive and Sustainable Transformation of Ecuadorian Agriculture	USD 250 million	Support public policy actions related to the transition toward the productive and sustainable transformation of Ecuador's agriculture sector.	This initiative will recognize public policy measures that lead to a "Transition toward Productive and Sustainable Transformation in Ecuador's Agricultural Sector," in terms of improving the sector's productivity, strengthening food and nutritional security, promoting equity in the agricultural sector, and developing a sustainable, inclusive, deforestation-free, low-carbon, and climate-resilient agricultural sector.	**Related SDGs:**  (2.3 Operations aimed at increasing agricultural productivity and the incomes of small-scale food producers, particularly vulnerable populations). **Secondary SDGs:** 

Blue Economy and Ocean Conservation

CAF is consolidating its leadership in the blue economy in Latin America and the Caribbean with three key announcements: doubling its financing target to USD 2,500 million for the 2026–2030 period, launching its Blue Economy Strategy, and presenting a regional diagnostic report at UNOC3, along with an impact report highlighting successful cases of marine and coastal conservation and development projects.

SUSTAINABLE BLUE ECONOMY STRATEGY

CAF's Sustainable Blue Economy Strategy (SBE-CAF) is an ambitious roadmap that seeks to position Latin America and the Caribbean as a leader in the sustainable use of the ocean, recognizing it as a driver of development, climate resilience, and human well-being. In the face of structural challenges such as ecosystem degradation and institutional fragmentation, CAF proposes a transformative vision for 2030, integrating financing, knowledge, and innovation to strengthen coastal communities, protect the oceans, and foster regenerative production chains.

CAF actively participated in more than 12 international forums to promote this strategy and strengthen regional leadership. **CAF issued its first Blue Bond, for EUR 100 million.**

See the *Sustainable Finance in Capital Markets* section of this report

The results achieved in 2025 demonstrate the strengthening of CAF's role as a strategic partner for Latin American and Caribbean countries in promoting development that recognizes biodiversity and ecosystem services as fundamental assets for climate resilience, socioeconomic stability, and long-term sustainability.



Mobilization for Alignment with the Paris Agreement

CAF made significant progress in strengthening its institutional approach to alignment with the Paris Agreement. To this end, it developed a methodology aligned with the standards of other multilateral development banks and designed with the support of international experts, through a collaborative process that involved various internal departments and ensured consistency with existing frameworks for safeguards, green financing, and climate risk management.

In 2025, the first phase of the pilot implementation of the methodology began, as part of a phased strategy that allowed for the initial application of the new approach and the generation of key lessons to refine and strengthen it ahead of its full adoption in 2026.

Progress was also made in defining priority sectors and preparing initial guidelines that will enable experts to develop sector-specific guides in 2026, which will guide the structuring and evaluation of future operations under criteria aligned with the climate transition.

These advances consolidated in 2025 the institutional and methodological foundation necessary for CAF to begin assessing the climate alignment of its lending operations in 2026, reinforcing its commitment to sustainable development and climate action in the region.

Carbon Footprint Tool for Loan Operations

CAF has a Carbon Footprint Tool that allows for estimating the impact on climate change mitigation by quantifying the reduction in greenhouse gas (GHG) emissions. This estimate is based on a comparison between a baseline scenario (without CAF financing) and a project scenario (with mitigation measures incorporated), which allows for the calculation of the net emissions reduction over the operations' lifecycle, including the construction, operation, and decommissioning phases.

The tool incorporates various types of mitigation actions applicable to loan operations, including:

- Grid-connected renewable energy.
- Off-grid renewable energy.
- Efficient energy transmission and distribution.
- Energy efficiency (industrial and residential).
- Sustainable transportation (electric vehicles, BRT systems, trams, metro, rail, and maritime transport).
- Road infrastructure.
- Wastewater and solid waste treatment.
- Fugitive methane emissions.
- Recycling.
- Biofuels (power generation and transportation).
- Agriculture and forestry.

In 2025, **20 carbon assessments** were conducted for loan operations.

Two representative cases are presented below:



Hatillo Aqueduct

Water and sanitation

Dominican Republic

Replacement of water consumption via water tankers and bottled water—both of which have high emissions—with a piped supply system, primarily gravity-fed, with lower GHG emissions. An annual reduction of approximately 91,000 tCO_2e is estimated.

Revolving credit line – Banco Santander Brasil S.A.

Electromobility

Brazil

Ex-post estimates of emissions reductions resulting from the financing of hybrid and electric vehicles. Estimated reduction of 9,363 tCO_2e in 2024 and 14,090 tCO_2e in 2025.

Under the Memorandum of Understanding signed between CAF and the West African Development Bank (BOAD) during COP30, knowledge transfer regarding the use of the tool and the interpretation of its technical note to officials of that institution is planned for the first quarter of 2026.

Looking ahead to 2026, carbon assessments are projected to be conducted for 30 loan operations, including most of the Investment Programs and Projects (PPI) in the portfolio, marking the start of its systematic application across the Bank's portfolio.



Mission impact: inclusive development and social cohesion

Inclusive Social Well-Being

GRI 3-3

CAF's Inclusive Social Welfare agenda leverages the institution's capacity to respond to the region's growing social demands, directing actions toward reducing inequality gaps and ensuring equitable access to essential services such as education, health, and nutrition for vulnerable populations. In 2025, management focused on expanding educational opportunities and strengthening health and nutrition systems.

In 2025, management focused on three areas:

Improving health, nutrition, and care for children.

Strengthening 21st-century skills.

Policies for equal opportunities.



CAF promotes a more just and equitable region by transforming systems, strengthening capacities, and promoting greater and better access to quality education and health care.

Strengthening 21st-century skills

Of particular note is the publication of CAF's Education Strategy to 2030, **centered on the following strategic objectives:**

- Strengthening learning environments.
- Improving educational environments.
- Promoting educational programs and projects in rural contexts.

The strategy consolidates CAF's work in the education sector, expanding and strengthening the support offered to the region through the institution's technical and financial resources and promoting quality, relevant education that enables learning and the development of 21st-century skills for all.

Improving health, nutrition, and child care

The strategic focus was on strengthening equitable access to and the quality of health services in the region through the digital transformation of health systems, reinforcing primary care, and promoting comprehensive well-being initiatives. Within this framework, two lines of work were developed: telehealth and mental health.

- **Telehealth:** scalable digital solutions that strengthen primary care in historically underserved populations, modernizing the health system through case management, optimized response times, and the efficient use of health resources.
- **Mental health:** promotes mental health as an indispensable component of well-being and public health.

Policies for equal opportunities

It focused on three priority areas: women's economic autonomy, sports for development, and the promotion of economic opportunities for ethnic communities.

In the first area, actions were aimed at strengthening women's financial inclusion and supporting the design of strategies to finance gender equality policies. In the second, sports were promoted as a tool for social transformation and inclusion for people with disabilities. Finally, in the third, initiatives were promoted to boost Afro-tourism, support indigenous communities, foster entrepreneurship, and strengthen the capacities of the Afro-descendant population.

Management and Results

More than
248,735 m²
of new or rehabilitated educational and healthcare infraestructure.

1.3 million
students have benefited from education programs, and **52,000 teachers have been trained.**

More than
17.8 million
people have benefited from health programs, and **9,800 providers have been trained.**



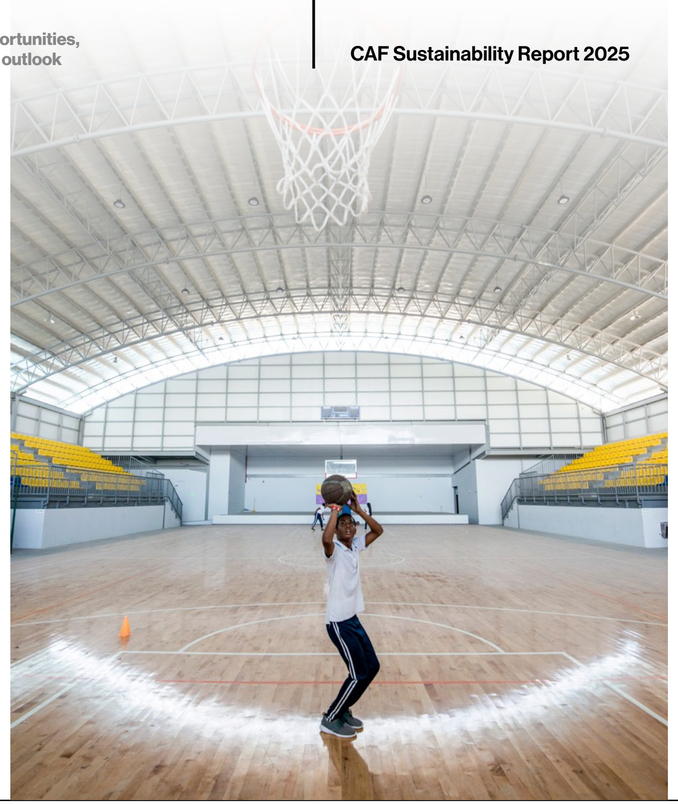
Strengthening 21st-century skills

The approved interventions focused on modernizing educational infrastructure, improving sectoral management systems, incorporating sustainability and resilience criteria into educational settings, and expanding technical and vocational education linked to productive demands.

Likewise, priority was given to initiatives in rural areas and in regions with the widest gaps, promoting models adapted to local realities and strengthening the relevance of the education system in the face of the technological, social, and environmental challenges of the 21st century.

THE FOLLOWING LOAN OPERATIONS ARE NOTEWORTHY

Name of the loan operation	Amount	Objective	Related SDGs
Barbados Technical and Vocational Education and Training (TVET) Enhancement Program	USD 75 million	Modernize the infrastructure, equipment, curricula, and institutional capacities of the technical and vocational education system, benefiting 3,000 students and 900 teachers.	4 QUALITY EDUCATION
Academic and Public Health Care Services Complex at the University of Cuenca (Ecuador)	USD 22 million	Expand educational offerings and strengthen the training of health professionals through academic infrastructure and healthcare services, benefiting approximately 20,000 students.	4 QUALITY EDUCATION



THE FOLLOWING TECHNICAL COOPERATION PROJECTS ARE NOTEWORTHY

Name of the loan operation	Amount	Objective	Related SDGs
Program to Strengthen the Literacy Plan and the Comprehensive Education Management System of the Province of Mendoza (Argentina)	USD 130,000	To promote information systems for comprehensive educational management and strengthen literacy and educational administration processes, benefiting students and teachers in the provincial education system.	4 QUALITY EDUCATION
Education Hope – PAIE II (Ecuador)	USD 280,000	Improve educational infrastructure based on quality and equity criteria, close inclusion gaps, and strengthen cognitive, and socio-emotional development from early childhood, benefiting students and the educational community.	4 QUALITY EDUCATION

Improving health, nutrition, and care for children

In 2025, efforts focused on modernizing health services and incorporating tools to expand coverage, improve the quality of care, and strengthen the institutional sustainability of public systems.

A central focus was the digital transformation of health systems, aimed at optimizing processes and improving efficiency in service delivery. Within this framework, telehealth established itself as a strategic tool for expanding access in remote areas, while mental health gained greater prominence as a structural component of holistic well-being, promoting more inclusive and preventive care models.

Similarly, CAF supported initiatives aimed at strengthening food security and improving the nutritional conditions of vulnerable populations, helping to consolidate public programs that guarantee access to adequate food.

These interventions combined financing and technical assistance to strengthen institutional capacities and ensure the sustainability of public policies in the medium and long term.

THE FOLLOWING LOAN OPERATION IS NOTEWORTHY

Name of the technical cooperation	Amount	Objective	Related SDGs
Food Assistance Support Program – Phase II (Argentina)	USD 300 million	To contribute to food security for socially vulnerable populations by strengthening the food assistance program, benefiting approximately 4.5 million people.	2 ZERO HUNGER

THE FOLLOWING TECHNICAL COOPERATION PROJECTS ARE NOTEWORTHY

Name of the loan operation	Amount	Objective	Related SDGs
Feasibility studies and designs for the Primary Health Care Center (PHC) in Wayuumatumana, Manaure (Colombia)	USD 450,000	Conduct feasibility studies and designs to strengthen access to and the quality of health services, including mental health care, for the Wayúu population, benefiting 96,991 people.	3 GOOD HEALTH AND WELL-BEING
Comprehensive advisory services to strengthen the Ecuadorian Social Security Institute (IESS) (Ecuador)	USD 120,000	Promote institutional transformation, operational modernization, and improved access to health services and medicines for IESS members and users.	3 GOOD HEALTH AND WELL-BEING

Policies for Equal Opportunities

This area aims to provide technical assistance, expertise, and funding to countries for the development and strengthening of public policies focused on gender equality, the inclusion of people with disabilities, and ethnic and racial diversity.



USD 3.16 million in technical cooperation was approved to support initiatives aimed at empowering women, including people with disabilities, and promoting ethnic and racial diversity. Within this framework, ten public administration institutions in Brazil, Colombia, Costa Rica, Chile, Ecuador, Paraguay, the Dominican Republic, and Uruguay received specialized technical assistance.

Likewise, the Community Roots Program for Indigenous Communities was launched, an intervention strategy promoted by CAF aimed at reducing the ethnic inequality gaps affecting indigenous peoples in their territories through a development approach grounded in identity, based on intercultural dialogue and respect for traditional knowledge. Its methodology is structured in participatory phases that include a preliminary contextual assessment; the socialization and co-design of proposals with the communities; collaborative implementation with permanent communication mechanisms; and, finally, joint evaluation processes and feedback on results.

Efforts were also made to strengthen the Caribbean Paralympic Committees by conducting assessments of sports and sports infrastructure from a disability perspective, as well as providing technical assistance to promote the inclusion of people with disabilities within the framework of the 2025 Youth Parapan American Games in Chile and the Argentine High-Performance Games.

In terms of knowledge generation for equal opportunities, the following stand out:
the Regional Training School for Rural Women Leaders in Latin America and the Caribbean; the course “Gender and Territory as Keys to Equality in Local Public Management”; the Gender Equality Seal for Public Financial Institutions;

- the Guide for the Design and Adaptation of Financial Education Programs with a Gender and Behavioral Economics Perspective;
- the inclusion podcast “Everything About Us, With Us”;
- and the Practical Guide on Racial Equality in Tourism.

Gender, Inclusion, and Diversity

GRI 3-3; 2-25

CAF is committed to helping close the gaps that affect gender equality, the recognition of ethnic and racial diversity, and the inclusion of people with disabilities. To achieve this, it integrates Gender, Inclusion, and Diversity (GID) considerations into its management, incorporating the interests and needs of women, people with disabilities, people of African descent, and indigenous peoples.

In 2025, four areas of action were prioritized:

Table 4.1

Strategic Focus Areas

Axis of Action	Women's economic autonomy	Sport for development	Ethnically relevant economic opportunities	Spaces for dialogue
Strategic Focus	Developing initiatives to improve women's financial inclusion and the financing of gender policies.	Promotion of sports as a tool for social transformation and inclusion for people with disabilities.	Promotion of Afro-tourism, entrepreneurship, and the development of job skills in ethnic communities.	CAF's engagement in multilateral dialogue forums on gender, inclusion, and diversity.

Through its gender, inclusion, and diversity agenda, CAF supports shareholder countries in promoting actions for equal opportunities, including the empowerment of women, the inclusion of people with disabilities, and the recognition of ethnic and racial diversity.

In 2025, 29 technical cooperation projects totaling USD 3,157,090 were approved, along with training for 317 public administration officials on topics related to gender, inclusion, and diversity, including financial inclusion, access to justice, territorial development, external financing, and statistics, among others.

With the aim of improving women's access to financial services, the Bank disbursed USD 235 million during the year to finance 6,235 SMEs owned or led by women.

Technical assistance was also provided to 10 public institutions in Brazil, Colombia, Costa Rica, Chile, Ecuador, Paraguay, the Dominican Republic, and Uruguay.

THE FOLLOWING TECHNICAL COOPERATION PROJECTS ARE NOTEWORTHY

Name of the technical cooperation	Amount	Objective	Related SDGs
Lidera LATAM: Ethnic Leadership Networks in Management, Finance, and Knowledge Management for the Social Transformation of Latin America	USD 297,200	To contribute to the development of an inclusive and sustainable ecosystem in Latin America that fosters ethnic leadership in strategic sectors, promoting workplace inclusion and facilitating the implementation of social impact models to benefit communities in Brazil, Colombia, Ecuador, and Panama.	
Knowledge to Close Gender Gaps	USD 375,000	Generate rigorous knowledge on the inequalities faced by women in the technology sector, including algorithmic design and inclusive decision-making; digital public services and equitable access; and technology, safety, and the prevention of gender-based violence.	
Workshops on analysis and action to promote the legal capacity of people with disabilities in Latin America	USD 150,000	Contribute to strengthening the exercise of the rights to legal capacity and autonomy of persons with disabilities in Latin America and the Caribbean, promoting a cultural shift in this area.	
Multinational Training Program for Entrepreneurs of African Descent	USD 250,000	Strengthen the Afro-entrepreneurial ecosystem in Latin America through the design and implementation of a multinational training program.	

Technical assistance was provided to incorporate gender, inclusion, and diversity (GID) considerations into CAF's credit approval processes.

As a result of this effort, 67 % of approved sovereign operations included GID considerations.

Examples of mainstreaming the gender, inclusion, and diversity approach in operations include credit line disbursements to financial institutions focused on financing women-led SMEs, as well as the Cabo de Santo Agostinho Program (Brazil) and the Coffee Grower Bond Program (Honduras).

The following loan operations and/or credit lines with gender, inclusion, and diversity considerations are noteworthy:

LOAN OPERATIONS

Name of the loan operation	Amount	Objective	Related SDGs
Credit Line Development Finance Corporation* (Peru)	USD 25 million	Financing for women-owned SMEs	5 GENDER EQUALITY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Credit Line Banco Itaú Unibanco S.A.* (Brazil)	USD 100 million	Financing for Women-Owned SMEs	5 GENDER EQUALITY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Cabo de Santo Agostinho Infrastructure and Urban Development Program (Brazil)	USD 96 million	Promote balanced and resilient urban development in the municipality of Cabo de Santo Agostinho through interventions in basic sanitation, urban mobility, social and health infrastructure, and resilient works for adaptation and prevention of climate-related disasters, with a gender-sensitive approach. It will benefit approximately 140,000 people and includes the expansion of a sexual and reproductive health center for women and support programs for microenterprises.	8 DECENT WORK AND ECONOMIC GROWTH, 11 SUSTAINABLE CITIES AND COMMUNITIES
Coffee Grower Grant Program to Support Small and Medium-Sized Producers (Honduras)	USD 10 million	Strengthen coffee production by supporting small and medium-sized producers through farm fertilization, crop renewal, technical assistance, and training, as well as the promotion of micro-enterprises providing field services with an inclusive approach for women, indigenous peoples, and people of African descent. It will benefit 105,261 coffee producers, including communities from 10 indigenous peoples.	10 REDUCED INEQUALITIES

* Refers to disbursements under credit lines.

Other notable achievements

Financing for equality
We worked with Brazil's Ministry of Planning and Budget on a training program for female municipal public officials. As a result, nearly 70 female public officials were trained to access external financing for gender-sensitive public policies.

Ethnically Relevant Economic Opportunities
The Practical Guide for Racial Equity in Tourism and the Strategic Plan for the International Promotion of Afrotourism in Brazil were developed, aimed at combating structural racism, increasing the visibility of Afro-descendant identity, and generating sustainable economic opportunities for enterprises led by this population.

Culture and Sports

CAF has significantly expanded its cultural initiatives, efforts that have helped strengthen the institutional perception of CAF as a bank close to the public, committed to identity, creativity, and cultural expression, as well as to promoting economic and social development through art, music, literature, and Latin American identity.

In 2025, the management focus of Culture and Sports was directed toward implementing strategic programs addressing issues identified among children and youth, such as the reading comprehension crisis and the inappropriate consumption and use of social media.

Likewise, priority was given to encouraging increased public participation in cultural spaces, strengthening theater programming, and raising the profile of museums in Latin America and the Caribbean, promoting a diverse and democratic global presence for the region's artists.

CAF supported projects linked to various disciplines, including art, film, dance, education, literature, music, theater, sports, and cultural management, contributing to the strengthening of the region's cultural and sports ecosystem.

Its operations are primarily focused on the field of public and private cultural management, through the promotion of programs and projects organized around five strategic pillars:

- Artistic and cultural education.
- Revitalization of theaters and museums.
- Raising the profile of artists from Latin America and the Caribbean.
- Promotion of books, reading, and writing.
- Sports for development.

In turn, the organization defined as a strategic objective the expansion of its regional reach and the consolidation of its role as an active player in cultural promotion and the strengthening of Latin American identity. To this end, it promoted the signing of memorandums of understanding (MoUs) with public and private institutions, which allowed it to extend its presence and impact across multiple countries in the region through strategic cultural partnerships.

Results and Contributions

809 cultural initiatives were carried out during the year (150 % more than in 2024). Of CAF's Culture Strategy, **14 %** ccorresponds to the strategic pillar "Artistic and Musical Training Program," **34 %** to the "Program to Promote Books, Reading, and Writing," **10 %** to the "Museum and Theater Revitalization Program," and **42 %** to the strategic pillar "Program to Raise the Profile of Artists from Latin America and the Caribbean."

Regarding CAF's Strategic Agenda, of the 809 cultural initiatives, **25 %** had a direct impact on advancing policies for equal opportunities, **5 %** on enhancing the alignment of technical cooperation with loan operations, **8 %** on strengthening regional and local governments, and **62 %** on mainstreaming the gender, inclusion, and diversity perspective.

38 cultural projects were managed, of which **15 %** were implemented in rural areas and **85 %** in urban areas, with a committed investment of USD 1,492,776. These resources benefited projects carried out in Bolivia, Venezuela, Chile, Panama, Colombia, Mexico, Peru, Uruguay, Paraguay, El Salvador, the Dominican Republic, Argentina, and Spain, reflecting the regional and international scope of the initiative.

In terms of impact and coordination, the initiatives reached 1,050,818 people and enabled the hiring of 2,770 artists, in addition to generating 25 strategic partnerships. Furthermore, of the 1,824 companies contracted directly and indirectly, **27 %** were women-owned businesses, demonstrating progress in incorporating gender equity approaches into cultural and sports management.

These actions generated 1,824 contracts with companies in the creative and cultural sector and created employment for 2,933 artists, mediators, managers, and creators.



Furthermore, CAF has strengthened its ties with diplomatic and cultural organizations, notably the Organization of Ibero-American States (OEI), the Gabo Foundation, the National System of Choirs and Orchestras of Venezuela, the Teresa Carreño Theater, the OLA Network of Latin American Opera and Theater, Iberoamérica Diseña, and direct agreements with diplomatic missions. These partnerships have enabled a sustained increase in the number of cultural activities carried out each year and expanded their reach, positively impacting the lives of Latin Americans and Caribbean people.







Table 4.2

Key Initiatives and Results

GRI 413-1

Initiative	Key Results
Arts and music education – "Music for All" (El Sistema) (Venezuela)	• In 2025, more than one million children benefited directly and indirectly through technical cooperation support related to arts and music education. • Revitalization of four centers, benefiting more than 500 children in rural areas. • Development of training activities, including music theory in sign language and choral training. • Exchange missions with the Dominican Republic, Honduras, the Philippines, Guatemala, Argentina, Ecuador, and France.
Project with a territorial and community focus – Nibaldo Calderón Library (Chile)	• A 70 % increase in activities related to the reading space, with 100 % of the courses participating in at least one monthly activity • Book loans rose from 25 to 52, representing an approximate 108 % increase. • Development of 19 Project-Based Learning initiatives, integrating subjects such as arts, history, science, physical education, heritage, English and language, with a focus on sustainability.
Program to raise the profile of artists from Latin America and the Caribbean – 2nd edition of the "CREADORAS" Contemporary Art Competition for Women Artists and internationalization of the competition in (Paraguay)	• Receipt of 496 applications from women artists in Venezuela and 87 in Paraguay. • Exhibition at the National Art Gallery of Venezuela, featuring a selection of 90 works by women artists in a 1,410 m² space. • Exhibition of 34 selected works in Paraguay, in the exhibition hall of the Casa de la Integración, with over 2,000 visitors. • More than 3,000 people attended the opening, and more than 15,000 visited during the three-month exhibition. • Eight meetings were held with artists and curators in Paraguay and 12 in Venezuela between the call for entries and the exhibition. • The project was publicly recognized as one of the most significant initiatives promoting contemporary art created by women in Venezuela and Paraguay.
Promotion of books, reading, and writing – "Macondo Does Have Someone to Write About It" (Colombia)	• Participation in Ibero-American book fairs. • In 2025, more than 2,100 children participated in the contest, bringing the total number of beneficiaries to over 6,300 across three editions. • In-person activities in 2025: ◦ 475 participants (children, teenagers, family members, teachers, and promoters) in 10 activities. ◦ 11 activities held (7 workshops, 3 discussions, and 1 experiential activity). ◦ As part of CAF's cultural strategy, the organization participated in book fairs in Madrid, Buenos Aires, Bogota, Panama, and Caracas, as well as the Gabo Festival and the graduation ceremony for readers of the "Selva de Letras" program in Colombia. ◦ More than 140 direct initiatives were carried out, involving over 760 writers, organizers, and mediators. ◦ The book fairs collectively attracted more than 3.6 million visitors.



Mission impact: productivity, competitiveness, and regional integration

Productivity and Internationalization



CAF seeks to promote the region's sustainable development and private sector participation as a means to achieve the SDGs through financial partnerships, the development of the venture capital ecosystem, the financing of projects involving 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 the strengthening of sustainable financial markets.

Boosting development through financial partners

CAF strengthened its capacity to channel financing to the real economy through partnerships with commercial banks, development banks, and other financial intermediaries. These partnerships made it possible to expand access to productive credit, deepen local financial markets, and accelerate operations aligned with sustainability and climate action.

Within this framework, efforts were focused on three fronts:

Strengthening productive financing for SMEs.	Expanding financial inclusion.	Promoting business and technological innovation.

Strengthening Productive Financing for SMEs

CAF deepened its collaboration with local banks, development finance institutions, and other strategic partners to extend loan terms, coverage, and technical capabilities. This approach improved access to financing and the relevance of financial products for SMEs, facilitating higher levels of productive investment and business formalization processes.

Positive impacts included greater reach among SMEs and the strengthening of local financial markets. Potential risks identified included possible currency mismatches and concentration in financial intermediaries, mitigated through technical analysis and risk management structures.

THE FOLLOWING LOAN OPERATIONS ARE NOTEWORTHY:

Name of the loan operation	Amount	Objective	Related SDGs
SUDAMERIS (Paraguay, in Guaraní)	USD 25 million	To finance productive small and medium-sized enterprises in local currency, promoting the financial deepening of the local market and strengthening resilience against exchange rate risks. **Beneficiaries:** SME clients.	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 10 REDUCED INEQUALITIES
Caja Los Andes (Chile)	USD 100 million	To finance social loans aimed at promoting financial inclusion and the social well-being of members and their households. **Beneficiaries:** members and households.	1 NO POVERTY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES



Financial Inclusion and Education

During the 2022–2025 period, CAF consolidated a financial innovation platform that brings together more than 80 partners and has supported 28 fintechs. These initiatives have contributed to the financial inclusion of more than 8 million people and 86,000 MSMEs in the region.

Among the main challenges identified are the risks of over-indebtedness, digital exclusion, and the need to strengthen financial re-inclusion processes for individuals and businesses. These challenges require strengthening financial education and promoting the responsible design of financial products and services.

IN THIS CONTEXT, THE FOLLOWING TECHNICAL COOPERATION INITIATIVE STAND OUT

	Objective	Related SDGs
Fintech Ecosystem for Inclusion	Scale fintech solutions aimed at promoting last-mile financial inclusion, facilitating access to financial services for populations and segments traditionally excluded from the financial system.	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 10 REDUCED INEQUALITIES

Table 5.1

Notable Initiatives

Financial Inclusion Lab

The 2025 Financial Inclusion Lab promoted innovative technology-based initiatives aimed at reducing gaps in financial inclusion, education, and well-being in rural communities and MSMEs in Latin America and the Caribbean. In its seventh edition, the program focused on developing digital solutions that impact financial inclusion in rural areas, promoting access to, use of, and quality of financial products and services.

The call for proposals received more than 320 submissions from across the region, of which 110 proposals were evaluated and eight projects selected. These initiatives reflect the dynamism of the fintech ecosystem and its potential to contribute to financial inclusion in contexts of greater vulnerability.

It is estimated that the eight winning fintech companies are improving financial inclusion and financial literacy for more than 310,000 people and nearly 14,280 micro, small, and medium-sized enterprises (MSMEs) in the region.

As part of the program, the winning projects gained access to acceleration programs, investment readiness training, and opportunities to form strategic partnerships, contributing to the strengthening of the fintech ecosystem and the development of sustainable solutions that improve financial well-being in the region.

Financial Eeducation

Brazil – Financial Education and Digital Literacy for Brazil's Indigenous Populations

In 2025, CAF began developing this project in cooperation with the Brazilian Securities and Exchange Commission (CVM), aimed at designing an inclusive and replicable methodology for financial education and digital literacy targeted at indigenous peoples. The initiative includes the development of educational materials in physical and digital formats, as well as the implementation of training programs in indigenous schools, including the training of teachers and multipliers. The pilot is being implemented with the Jaraki people in the village of Lago do Praia (Pará), through courses and workshops on financial education, digital literacy, and entrepreneurship, using a participatory design approach. Additionally, the project includes a component for monitoring and evaluating the intervention in the pilot area.

Chile – Strengthening the Regional Agenda for Financial Inclusion and Education in the Pacific Alliance

CAF provided support to the Ministry of Foreign Affairs and to Chile's pro tempore presidency of the Pacific Alliance in strengthening the regional agenda on financial inclusion and education. This support included the development of Common Principles and Recommendations for a Regional Financial Education Strategy, as well as the creation of a guide for designing programs in member countries. These instruments establish a shared framework to guide policies, strategies, and programs aimed at strengthening the financial capabilities of the population, with an emphasis on equity, inclusion, and financial well-being.

Paraguay – Financial Literacy Program for MSMEs

CAF supported the General Directorate of Financing and Investment of the Vice Ministry of MSMEs within the Ministry of Industry and Commerce in capacity building through the financial literacy program. Within this framework, the "Training of Trainers (ToT) in Financial Literacy" workshop was held, addressing topics such as financial well-being, the results of the Latin American and Caribbean Public Policy Index for Paraguay regarding access to financing for SMEs, as well as approaches to gender mainstreaming and behavioral economics applied to financial education programs.

Knowledge Ggeneration

Diploma in Financial Inclusion and Education (DIEF), First Edition

CAF, in partnership with the National University of the Delta (UNDelta), developed the first edition of the Diploma in Financial Inclusion and Education (DIEF), a seven-month virtual program aimed at strengthening capacities for the design, implementation, and monitoring of policies and programs in Latin America and the Caribbean. The diploma program incorporated tools from neuroscience and behavioral economics, as well as content on financial inclusion, innovation, and digital financial education. It was aimed at professionals from the public and private sectors, including representatives from regulatory agencies, ministries, development banks, associations, foundations, and civil society organizations. The call for applications received 236 submissions, with 176 people admitted, 104 enrolled, and 70 participants who completed the program.

Interactive visualizer of the financial capabilities survey

CAF developed an interactive platform that integrates quantitative information on the state of financial inclusion, education, and well-being in the region. The visualizer aggregates more than 400 indicators from 11 countries, with data disaggregated by sociodemographic groups, and provides anonymized microdata for conducting econometric analyses. This tool is designed to support knowledge generation and the design of public policies on financial inclusion and education.

Peru – Financial Capabilities Survey

CAF, in conjunction with the Superintendency of Banking, Insurance, and Pension Fund Administrators of Peru (SBS), published the report on the third national financial literacy survey. This survey serves as a key input for the design, monitoring, and evaluation of publi policies in this area at the national level.



Gender Perspective

Costa Rica – Strengthening the National Financial Education Strategy with a Gender Perspective

CAF supported the Ministry of Economy, Industry, and Commerce (MEIC) in designing the second phase of Costa Rica's National Financial Education Strategy, incorporating a gender perspective across all aspects. This process included integrating best practices derived from the evaluation of the first phase and a comparative analysis of strategies implemented in other countries. Costa Rica has made sustained progress in financial inclusion with a gender perspective since 2017, through coordinated efforts between the National Institute for Women (INAMU) and the General Superintendency of Financial Institutions (SUGEF), which helped consolidate an institutional foundation for the strengthening of this new phase.

Business and Technological Innovation and Sophistication

CAF established itself as a platform for mobilizing resources toward sustainable productive investment and strengthening the business ecosystem, with a special emphasis on SMEs.

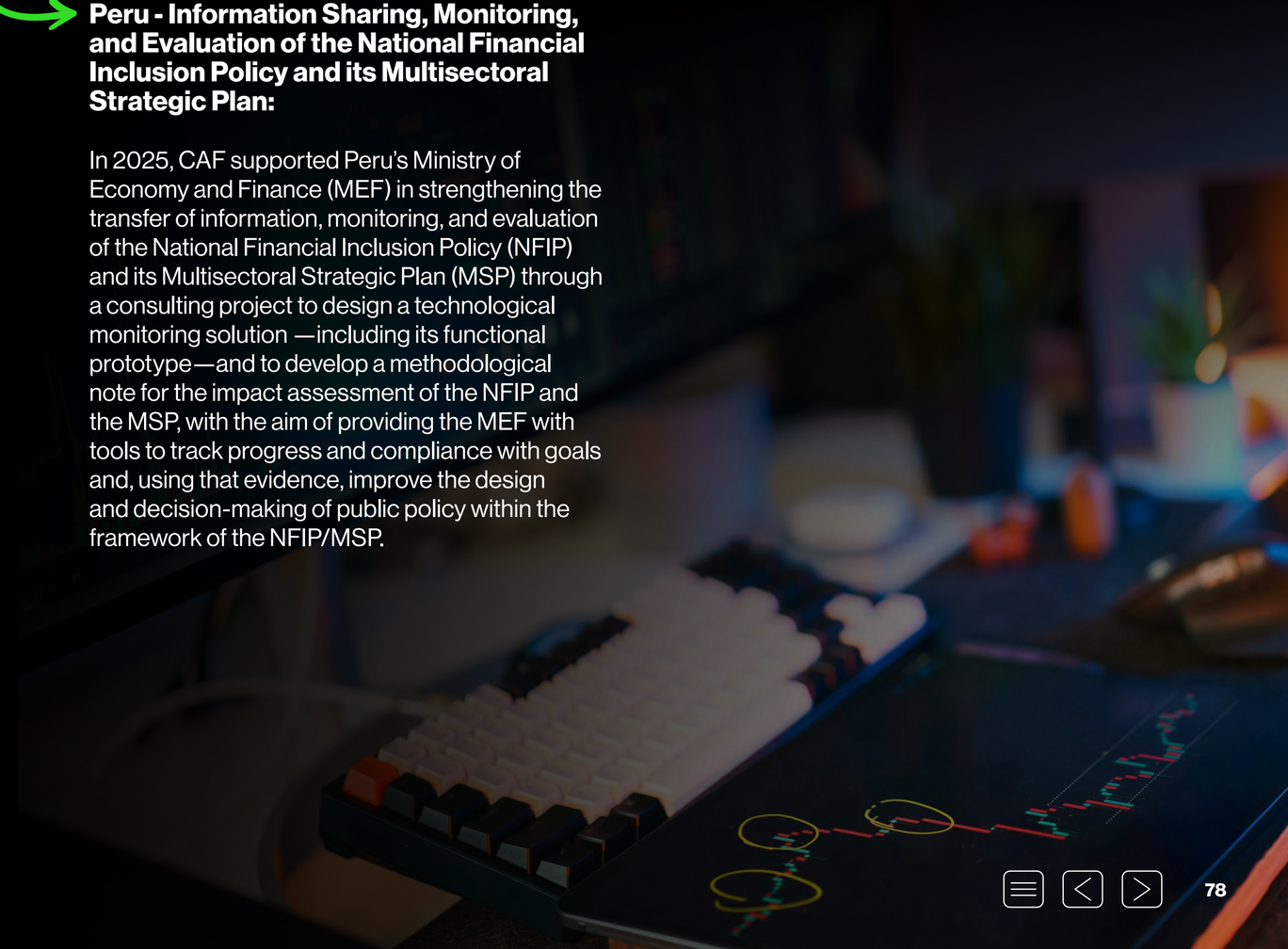
In 2025, internal tools and approval processes were strengthened to allow for greater agility and objectivity in structuring operations.

Notable impacts include more agile decision-making processes, better strategic alignment, and the scaling of technological solutions. Potential risks identified include challenges related to cybersecurity and the uneven adoption of technologies, which are managed through appropriate standards and governance mechanisms.

Featured Project

Peru - Information Sharing, Monitoring, and Evaluation of the National Financial Inclusion Policy and its Multisectoral Strategic Plan:

In 2025, CAF supported Peru's Ministry of Economy and Finance (MEF) in strengthening the transfer of information, monitoring, and evaluation of the National Financial Inclusion Policy (NFIP) and its Multisectoral Strategic Plan (MSP) through a consulting project to design a technological monitoring solution —including its functional prototype—and to develop a methodological note for the impact assessment of the NFIP and the MSP, with the aim of providing the MEF with tools to track progress and compliance with goals and, using that evidence, improve the design and decision-making of public policy within the framework of the NFIP/MSP.



THE FOLLOWING TECHNICAL COOPERATION INITIATIVE STANDS OUT

Name of the loan operation	Amount	Objective	Related SDGs
TRIZ for SMEs	USD 60,000	Train small and medium-sized enterprises in the TRIZ methodology to strengthen governance, innovation, and strategic alignment in business management.	4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Financial partnerships in 2025 consolidated CAF's catalytic role, expanded productive financing to SMEs, and strengthened financial inclusion in the region.

The combination of private capital mobilization, local currency solutions, and innovative instruments allowed for deeper financial intermediation and strengthened the financial system's capabilities.

This approach contributed to a portfolio more aligned with sustainability and climate action, while maintaining risk discipline and consistency with the development priorities of shareholder countries and the institution's strategic objectives. In this way, CAF reinforces its capacity to scale solutions with greater regional reach and deeper impact on productivity, competitiveness, and economic integration.



Promoting impact initiatives for productive sectors

CAF strengthened its contribution to the region's sustainable productive transformation through strategic investments in energy transition and high-impact infrastructure. Through non-sovereign operations with financial scale and a results-oriented approach, projects were promoted that combine environmental sustainability, business competitiveness, and the generation of economic value.

The 2025 management strategy focused on two main areas: accelerating the energy transition through green investments and sustainable mobility, and developing strategic infrastructure to strengthen the resilience and modernization of productive sectors. This approach expanded the climate and economic impact of operations while reinforcing risk management standards.

Energy Transition

In 2025, CAF prioritized investments aimed at decarbonizing the productive matrix, including renewable generation, energy efficiency, and electric mobility. These operations contribute to reducing emissions, modernizing energy infrastructure, and strengthening regional capacities to structure larger-scale green projects.

Although these projects involve longer investment cycles and exposure to regulatory or energy price volatility, management incorporated enhanced monitoring mechanisms and specialized technical evaluation to mitigate risks and ensure their financial sustainability.

THE FOLLOWING LOAN OPERATIONS ARE NOTEWORTHY

Name of the loan operation	Amount	Objective	Related SDGs
E-Motion CUTCSA (Uruguay)	USD 25 million	To finance the purchase of electric buses to promote the decarbonization of urban transport and improve air quality. Beneficiaries: public transport users.	13 CLIMATE ACTION
BDMG, Brazil (Loan A/B)	USD 220 million (CAF Tranche A up to USD 100 million)	Expand financing for the energy transition, energy efficiency, and sustainable growth. The operation constitutes the first A/B loan with a regional development bank, reinforcing the catalytic role of financing. Beneficiaries: companies and SMEs in Minas Gerais.	7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH; 13 CLIMATE ACTION



Infrastructure and High-impact Productive Investments

CAF focused its efforts on developing strategic infrastructure in energy, water, logistics, and transportation, as well as on investments that strengthen production chains and generate green jobs. These interventions help improve regional competitiveness and the resilience of production systems.

In 2025, management deepened the analysis of counterparty risks, as well as climate and transition risks, in addition to assessing the regulatory and operational maturity of projects. Among the lessons learned, the need to accelerate the structuring of multi-stakeholder projects and to strengthen systems for generating and tracking impact evidence stands out.

The initiatives launched in 2025 in energy transition and sustainable infrastructure reflect a comprehensive approach aimed at generating measurable climate, economic, and social impacts in productive sectors. Investments in renewable energy, electric mobility, and strategic infrastructure projects contribute to the modernization of productive systems and strengthen their resilience to climate change.

At the same time, strengthening risk structuring and management processes enables the consolidation of larger-scale, higher-quality operations, laying the groundwork for expanding regional impact in the coming years.

THE FOLLOWING INVESTMENT OPERATION STANDS OUT

Name of the loan operation	Amount	Objective	Related SDGs
SA Impact Forestry Fund (Paraguay)	USD 15 million	To promote FSC-certified sustainable forestry and the restoration of forest ecosystems, contributing to biodiversity conservation and the creation of green jobs. Beneficiaries: the fund and local communities.	8 DECENT WORK AND ECONOMIC GROWTH; 13 CLIMATE ACTION; 15 LIFE ON LAND



In this way, CAF reaffirms its role as a key player in the sustainable productive transformation of Latin America and the Caribbean.



Regional Integration

CAF's agenda on integration, trade, and investment was guided by a strategic vision to enhance the competitiveness of member countries by strengthening conditions that facilitate connectivity, trade, and the attraction of foreign investment. To achieve this, it structured its work around three pillars:

Facilitation of trade and integration, promoting integration tools (ADI, PIIR, HFC, and PROGIF), supporting trade facilitation processes to reduce intraregional fragmentation, and strengthening actions aimed at more efficient and effective border management.

Promotion of integration, through support for normative and regulatory processes, the strengthening of governance, and the consolidation of institutional partnerships for cross-border services, leveraging platforms such as Mercosur, ADP, CELAC, CAN, ALADI, and AEC, among others.

Foreign investment, positioning CAF as a technical and financial partner to promote sustainable, high-impact investments, supporting countries with knowledge, services, and digital tools throughout the entire investment cycle.

THE FOLLOWING LOAN OPERATIONS ARE NOTEWORTHY

Name of the loan operation	Amount	Objective	Related SDGs
Port of San Antonio (Chile)	USD 150 million	To contribute to the development of logistics and the integration of Chile's central macrozone by increasing cargo transfer capacity between the Port of San Antonio and the main centers of production and consumption.	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Comprehensive Urban and Metropolitan Logistics Program for Greater Rosario, Santa Fe (Argentina)	USD 187.5 million	Strengthen the metropolitan integration of Greater Rosario with its port complex, consolidating it as a strategic hub for the province's productive development through a comprehensive program of improvements to urban and metropolitan logistics infrastructure.	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES

THE FOLLOWING TECHNICAL COOPERATION PROJECTS ARE NOTEWORTHY

Name of the loan operation	Amount	Objective	Related SDGs
Modernization of Tocumen International Airport 2030 (Panama)	USD 6 million	Support the Government of Panama in implementing the Aviation Sector Sustainability Program, which includes activities aimed at strengthening the sustainability of the regional aviation hub and the institutional modernization of the aviation sector.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES
Comprehensive, Sustainable, and Secure Logistics for the Galapagos (Ecuador)	USD 3.7 million	Support the government in designing and reaching consensus on a sustainable public policy for the supply of Galapagos, aimed at mitigating the introduction of invasive species, strengthening biosecurity, and ensuring the quality of life for residents and visitors through the development of eco-infrastructure, institutional strengthening, and environmental conservation.	14 LIFE BELOW WATER
Chancay Comprehensive Development Framework (ADI) Roadmap (Peru)	USD 162,000	Establish a roadmap for the comprehensive development of the Port of Chancay's area of influence, aimed at enhancing its economic, logistical, and territorial impact.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Name of the loan operation	Amount	Objective	Related SDGs
Comprehensive Strengthening of the Aviation Sector in Ecuador	USD 2 million	Strengthen operational safety and management of the aviation sector through the implementation of the USOAP Action Plan, technological upgrades, training programs for the DGAC, and functional improvements at regional airports.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Redesign of the Tocumen TMA (Panama)	USD 3 million	Support the Government of Panama in improving operational safety and increasing the capacity and efficiency of aviation operations through the redesign of the airspace in the Tocumen terminal area.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES
CLI Port of San Antonio (CLIPSA) (Chile)	USD 1.5 million	Conduct pre-investment studies for the development of the San Antonio–Santiago–Cuyo Port Logistics Integration Corridor, consolidating the port as a gateway to the Pacific basin and strengthening logistics integration between Chile, Argentina, Mercosur, and Pacific markets.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

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Governance, ethics, and transparency

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Corporate Governance

GRI 2-9

CAF is a multilateral development finance institution and a legal entity under public international law, established in 1968 through its Constitutive Agreement, adopted as an international treaty. This agreement governs the fundamental principles and key aspects of CAF's corporate governance framework. The functions, responsibilities, and specific characteristics of its collegiate governing bodies and subsidiary entities are defined in the Constitutive Agreement and elaborated upon in CAF's General Regulations.

CAF's corporate governance processes are managed through various governance mechanisms designed to ensure transparency, institutional integrity, and efficiency in decision-making. This framework enables effective oversight of management, strengthens accountability, and ensures that strategic decisions are aligned with the institution's mandate for sustainable development.

CAF's governance structure consists of the Shareholders' Assembly, the Board of Directors, and its subsidiary bodies (support committees), notably the Audit Committee (AC) and the Board's Technical Committee (BTC).

The Shareholders' Meeting is CAF's supreme governing body and holds regular sessions once a year, during the first quarter, as well as special sessions when required. It is composed of 37 shareholders from 24 countries.

As of December 31, 2025, the Board of Directors consists of 24 regular members and 24 alternate members, of whom 16 belong to Series "A," six to Series "B," and two to Series "C."

Board members serve for a three-year term and, in their capacity as shareholder representatives, are typically high-level public officials in their respective countries, such as ministers of the Treasury, Economy, or Finance, central bank governors, or other top-level economic authorities, in accordance with the institutional systems and sovereignty of each member state.

The nature of these positions is primarily linked to responsibilities in economic policy formulation, public financial management, and macroeconomic supervision, which brings strategic vision and specialized expertise to CAF's governance.

The Audit Committee (AC) is composed of the 24 regular members of the Board of Directors, and although it does not have a specific term of its own, its composition and tenure are governed by the same period as that of the Board Members.

For its part, the Board's Technical Committee (BTC) is composed of 24 delegates, appointed by each full member of the Board, with no defined term for their appointment.

Together, these bodies reinforce good corporate governance practices and contribute to sound, transparent, and well-informed management.

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Shareholders' Meeting

The Shareholders' Meeting is CAF's supreme governing body. It is composed of representatives of the 37 shareholders from 24 countries, holders of "A," "B," and "C" series shares, in accordance with the provisions of the Articles of Incorporation.

AMONG ITS MAIN POWERS ARE:

- Approving amendments to the Articles of Agreement.
- Approving the financial statements.
- Determining the allocation of net income.
- Appointing members of the Board of Directors.
- Appointing external auditors.



Board of Directors and Executive President

GRI 2-10, 2-11, 2-12

The Board of Directors is elected by the Shareholders' Assembly and consists of senior representatives from the shareholder countries, generally high-level public officials such as ministers of finance, economy, and treasury or central bank governors. Each director has an alternate, ensuring continuity in representation.

The term of office for Board members is three years, with the possibility of reelection. The Chair of the Board is elected by the Board itself through an annual rotation process, in alphabetical order of member countries. The Chair of the Board does not perform executive management functions within CAF.

The person holding the Presidency chairs the sessions of the Board of Directors, the Shareholders' Assembly, and the Audit Committee, contributing to a balanced, representative, and transparent governance.

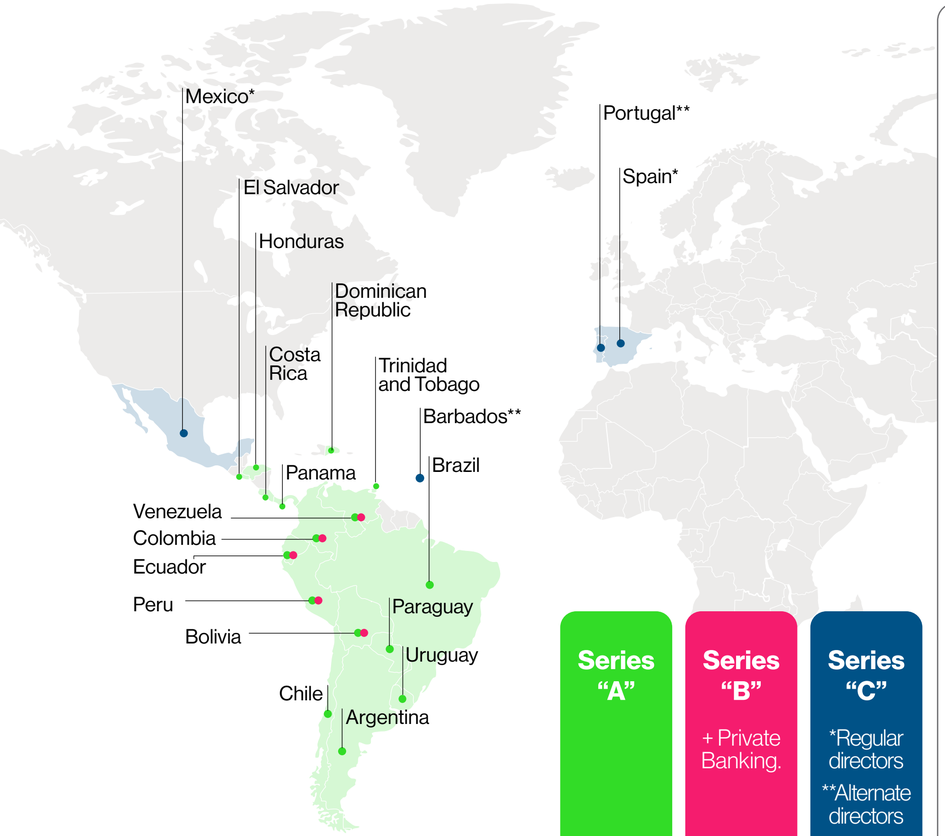
The management of the institution is the responsibility of the Executive President, who is an international official and the legal representative of the corporation, responsible for the general management and administration of the organization. Among his responsibilities are the immediate leadership and general administration of the institution, as well as decision-making on all matters not expressly reserved for the Shareholders' Meeting, the Board of Directors, the Executive Committee, or other subsidiary bodies created by the Board of Directors, or that have been specifically delegated to him.

The Executive President participates in board meetings with the right to speak but not to vote, which ensures a clear separation between executive functions and the board's responsibilities, helping to mitigate potential conflicts of interest.

The Board of Directors is empowered to establish the institution's financial policies and approve the annual budget, as well as lending and borrowing operations, guarantees, and investments within CAF's strategic objectives.

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Composition of the Board of Directors for the 2023–2026 Term



Series "A"	Series "B"	Series "C"
	+ Private Banking.	*Regular directors **Alternate directors

Subsidiary bodies

GRI 2-13

Subsidiary bodies are support committees created by the Board of Directors in the exercise of its powers.



The Audit Committee (AC) is composed of the regular members of the Board of Directors. Its function is to ensure effective communication between internal and external auditors and the Board of Directors, recommend the hiring of external auditors, review the implementation of audit plans, and approve annual audit plans, thereby strengthening financial oversight and institutional integrity.

The Board Technical Committee (BTC) was created to deliberate on the topics presented at the meetings of the Collegiate Bodies, with the aim of ensuring that Committee delegates have in-depth knowledge of the issues to support the Directors in making decisions on matters within their purview. Through this function, the BTC supports the Board's decision-making.

In the context of project evaluation, **the BTC reviews the soundness of the design, the adequacy of risk mitigation measures, and the expected results of the proposed operations, contributing to an informed consideration of their economic, environmental, and social implications.** By integrating risk assessment into its advisory work, the BTC helps ensure that projects approved by CAF are technically sound, financially viable, and aligned with sustainable development objectives, thereby strengthening the quality and sustainability of the institutional portfolio.

BTC members are appointed by each Executive Director and their appointment remains in effect until the Executive Director decides otherwise.

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Strengthening Governance and Transparency

GRI 2-14

In 2025, the management of transparency and corporate governance generated positive impacts by strengthening the trust of shareholder countries and other stakeholders, improving the quality, availability, and timeliness of information on institutional management and operations, and consolidating formal accountability mechanisms.

These efforts were recognized externally through CAF's performance in the 2025 Development Finance Institutions (DFI) Transparency Index, in which CAF ranked among the institutions with the greatest global progress in its sovereign and non-sovereign portfolios.

In the sovereign sector, the institution increased its score from 9.3 in 2023 to 35.3 in 2025, while in the non-sovereign sector it rose from 8.4 to 33.4, representing increases of 26.0 and 25.0 points, respectively.

Among the most significant advances are:

- Optimization of internal governance processes.
- Improvements in the quality, consistency, and timeliness of information provided to governing bodies.
- A review of the frequency and duration of Board meetings.

These achievements, driven by the strengthening of the Access to Information and Institutional Transparency Program (AITI Program), help promote diligence, transparency, and efficiency in the management of risks and opportunities, as well as reinforce open governance and ethical commitment to the sustainable and inclusive development of the region. These advances in transparency and access to information contributed to strengthening CAF's overall ESG profile and external assessments.

As part of this approach, the Board of Directors periodically monitors and reviews the Institution's sustainability information, including reviewing the content of the anual report prior to its publication, to ensure its consistency with the institutional mandate, material issues, and international best practices regarding disclosure.

Table 6.1

Most Significant Improvements in Overall Score

	Nombre de la DFI	Total 2023	Total 2025	Aumento de puntos
CAF (sovereign)	9,3	35,3	26,0	
CAF (non-sovereign)	8,4	33,4	25,0	
World Bank	65,4	85,7	20,3	
BII	26,5	45,7	19,2	
SIFEM	16,5	32,5	16,0	

Fuente: "Highlights – DFI Transparency Index 2025".

Institutional Transparency and Access to Information

GRI 3-3

CAF views transparency and access to information as central enablers of its institutional agenda, as they strengthen accountability, the trust of shareholder countries, and relationships with other stakeholders. This management approach is grounded in the Policy on Access to Information and Institutional Transparency (PAITI), which establishes the principles, criteria, and procedures aimed at ensuring timely, reliable, and consistent access to institutional information.

The policy defines, among other aspects, the principle of maximum disclosure, the criteria for classifying information, the procedures for handling access requests, as well as the corresponding deadlines and institutional responsibilities. It also includes review and monitoring mechanisms that promote an organizational culture based on transparency, integrity, and institutional accountability to the public, shareholder countries, and strategic partners.

Based on this regulatory framework, in 2024 CAF established the Program for Access to Information and Institutional Transparency (AITI Program) as an operational tool for the effective implementation of the PAITI. During 2025, its implementation generated positive impacts by:

Strengthening the confidence of shareholder countries and other stakeholders.

Improving the quality, availability, and timeliness of information on institutional management and operations.

Establishing formal accountability mechanisms, supported by bodies and tools that promote dialogue with shareholder countries and the public, and that enable the systematization of information for institutional monitoring.



Actual and Potential Impacts

CAF manages the actual and potential impacts associated with transparency and access to information through a structured institutional framework defined in the Policy on Access to Information and Institutional Transparency. This framework incorporates principles of prevention, control, correction, and continuous improvement.

The system establishes clear criteria for the classification and handling of information—public, restricted, and confidential—balancing the principle of maximum disclosure with the protection of legitimate interests. It also sets out formal procedures for receiving, analyzing, and responding to requests for information, with deadlines, responsibilities, and objective criteria that allow for the timely identification and correction of gaps, delays, or undue restrictions.

The PAITI also incorporates review bodies and monitoring mechanisms that facilitate the remediation of potential negative impacts on institutional trust, accountability, and the right of access to information. Complementarily, the implementation of the AITI Program reinforces this preventive and corrective approach through the standardization of processes, internal training, and the systematization of information, contributing to the reduction of structural risks and the consolidation of an institutional culture based on transparency, integrity, and accountability.

Management Approach: Access to Information and Institutional Transparency Program (AITI Program)

The AITI Program forms the basis of CAF's enabling agenda for "Transparency and Good Corporate Governance" and is structured around three pillars of action:



AXIS 1

Improvements in governance mechanisms and information provided to governing bodies (shareholders, delegates, directors, and representatives), as well as the creation of spaces for reflection aimed at strengthening governance.

AXIS 2

Strengthening international transparency metrics and implementing automated processes for the generation and dissemination of reliable, high-quality institutional information.

AXIS 3

Improvements in access to public information through specific platforms, and robust consultation and customer service mechanisms.

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Tools and Practices for Disclosure and Public Service

With the aim of facilitating more timely and consistent disclosure, in 2025 CAF integrated operational databases with automatic synchronization to internal systems and the web, which improved information publication and compliance with transparency indicators.

In addition, CAF has mechanisms for managing requests, complaints, and claims to address the general public's needs, including references to the Environmental and Social Claims Mechanism (ESCM).

Complementary Measures in Integrity and Institutional Oversight

As part of the enabling environment for transparency, actions aimed at strengthening the ethical culture and institutional control mechanisms were reinforced during 2025, including:

- Dissemination of the Code of Ethics to internal and external audiences.
- Institutional training campaigns and programs.
- Strengthening of reporting channels and follow-up on received communications.



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Internal Control

Propio DGR-1

A Three-Line Defense Internal Control Model

CAF continued to strengthen its Internal Control System, based on the three lines of defense model, as a central element to ensure efficient, effective, and coordinated risk management.

This model assigns responsibilities among operational units (first line), control and oversight functions (second line), and independent assurance activities (third line), contributing to the achievement of institutional objectives in a secure and controlled manner.

Key Milestones

First Line

Areas responsible for processes, risks, and controls.

Strengthening of the control self-assessment project, which addressed five macro-processes and five corporate areas, covering a total of 181 transactional controls.

Implementation of improvements to the Internal Control System, which reduced the time spent by the first line on providing evidence by 55 %.

Second Line

Corporate Risk Management.

Supervision, methodological development, innovation, and automation of the Internal Control System.

Strengthening of review roles in key applications, contributing to a 28 % reduction in manual controls, which became semi-automated.

Advising departments on processes, products, and services from a risk management and control perspective.

Third line

General Audit

Independent assurance regarding the effectiveness of the Internal Control System.

Adoption and integration of the updated International Standards for the Professional Practice of Internal Auditing from the Institute of Internal Auditors (IIA).

Progress in the digital transformation of auditing through the implementation of the Strategic Digital Audit Plan, reinforcing the transition toward a smart, automated, and continuous assurance model.

Risk management at CAF

Fraud Risk Management

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

Within the framework of the Internal Control Program (ICP), whose objective is to provide reasonable assurance regarding the adequate mitigation of inherent risks, annual tests are conducted to review the design and operational effectiveness of the controls implemented to mitigate both fraud risks and the other risks identified by CAF.

During the 2025 fiscal year, the reviews conducted by the Internal Control Department and the Corporation's external auditors did not reveal any deficiencies in the execution of the controls included within the scope of the PCI.

Consequently, the reports issued conclude that CAF's internal control system over financial reporting as of December 31, 2025, is effective, and that there is reasonable assurance regarding the adequate mitigation of the assessed risks.

Financial and Non-Financial Risk Management

Market and Liquidity Risk

During 2025, significant progress was made in market and liquidity risk management, notably:

Full implementation of the **Bloomberg PORT Enterprise platform,** which enabled the digitization of market and liquidity risk management processes, positioning CAF as a benchmark case study for other banking or multilateral institutions in the region.

Development and implementation of a new liquidity risk appetite framework and statement, aimed at strengthening the institution's financial sustainability.



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Credit risk

In the area of credit risk, methodologies were developed to improve risk measurement and optimize the management of the institution's balance sheet, including:

A methodology to quantify the benefit in terms of reduced expected losses and capital consumption resulting from the use of credit insurance in non-sovereign sector transactions.

A methodology to determine expected losses and capital consumption in synthetic exposure swap (EEA) transactions with multilateral banks.

A methodology aligned with the best practices of multilateral banks for estimating loss given default (LGD) in transactions with sovereign guarantees.

A methodology to determine expected losses in credit portfolios originated by financial partners and guaranteed by CAF

Development and implementation of a new credit risk appetite framework for the non-sovereign-guaranteed portfolio.

These tools help strengthen CAF's risk measurement and financial sustainability.

Operational Risk

From an operational risk perspective, CAF has specialized practices aimed at identifying, assessing, responding to, mitigating, and monitoring the operational risks to which the institution is exposed, with the objective of ensuring process efficiency, as well as operational resilience and stability.

In 2025, the following actions were prioritized:

- Development and continuous improvement of the regulatory framework for operational risk management.
- Monitoring and updating the corporate operational risk map.
- Definition and implementation of key risk indicators (KRIs) for critical information technology risks.
- Application of methodologies for monitoring operational risks associated with infrastructure projects.
- Review and update of risk maps, causes, and controls for the processes included in the Corporate Internal Control Program (CICP).

Environmental and Social Risks

The environmental and social risk management process is part of CAF's credit and equity investment process and is divided into four sub-processes, which correspond to the stages of the credit process in which they are involved: (i) origination, (ii)evaluation; (iii) formalization; and (iv) administration (see further details in the *Environmental and Social Management Framework section* of this report).

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Business Continuity Management System

Propio DGR-1

CAF has a Business Continuity Management System (BCMS) that is an integral part of its risk management and internal control framework. This system is designed to ensure operational resilience and the continuity of critical processes in the event of disruptions.

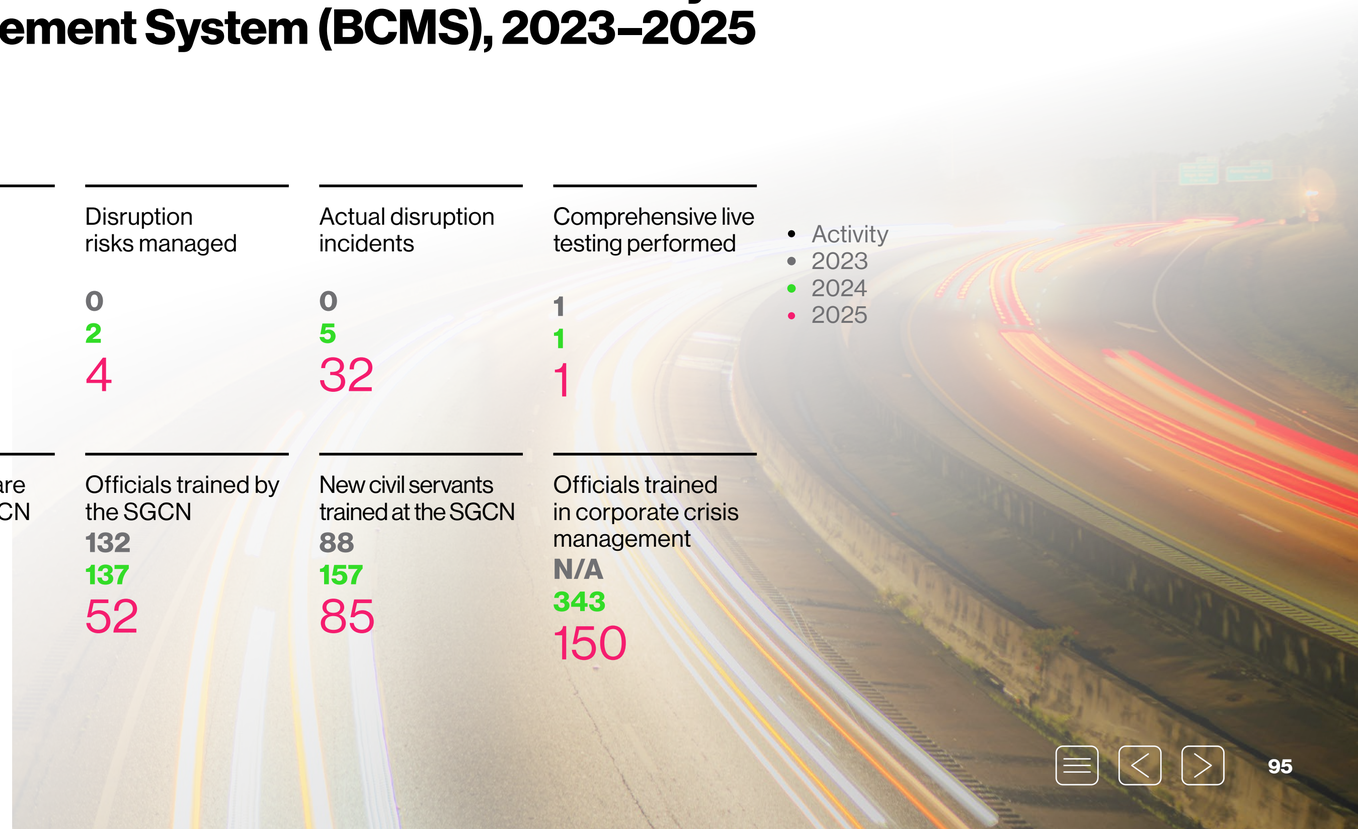
The BCM is aligned with international standards and has been progressively strengthened in recent years, consolidating higher levels of preparedness, training, and operational verification at the corporate level.

In 2025, the system underwent two audits, which validated the effectiveness of established plans and protocols and identified opportunities for continuous improvement. Additionally, significant disruption risks were managed, and actual incidents were addressed, ensuring the implementation of corrective and recovery measures in accordance with defined guidelines.

Table 6.2

Key Activities of the Business Continuity Management System (BCMS), 2023–2025

Activity	2023	2024	2025
Audits conducted	1	1	2
Disruption risks managed	0	2	4
Actual disruption incidents	0	5	32
Comprehensive live testing performed	1	1	1
Officials who are part of the SGCN	132	137	135
Officials trained by the SGCN	132	137	52
New civil servants trained at the SGCN	88	157	85
Officials trained in corporate crisis management	N/A	343	150



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Ethics, Compliance, and Risk Management

GRI: 205-1, 205-2, 205-3

Assessment of Risks Related to Corruption

GRI 205-1

During 2025, CAF continuously strengthened its controls to prevent and detect the materialization of risks associated with prohibited practices, including corrupt, fraudulent, collusive, coercive, and obstructive practices, as well as the misuse of funds in its operations. These actions are part of a zero-tolerance policy and a preventive approach applied to both external and internal areas of the organization.

These efforts are complemented by robust employee grievance and reporting mechanisms, which provide confidential, independent, and structured channels for raising concerns and strengthen CAF's governance, transparency, and accountability framework.

The management of these risks is supported by specific regulatory and methodological frameworks, such as the Management Policies, the Code of Ethics, the Manual for the Prevention and Detection of Prohibited Practices, the Guidelines for the Application of Prohibited Lists Regarding Prohibited Practices, and the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Risk Management Manual, aligned with the highest international standards of integrity and multilateral best practices.

The policies and procedures for the prevention and detection of prohibited practices and for AML/CFT risk management establish the obligation to assess all participants in CAF's business operations, whether direct or indirect, in order to identify potential red flags regarding integrity. In this context, due diligence processes were optimized through the implementation of specialized global-scope tools and methodological frameworks developed by CAF, which enable the early identification of compliance risks, sanctions, adverse media, and ESG disputes (in the governance sphere). Likewise, the inclusion of specific contractual clauses aimed at the prevention, detection, and management of these risks was reinforced.

During the reporting period, new institutional methodologies were approved for assessing money laundering and terrorist financing AML/CFT risks and international sanctions, which enable the substantiation of risk levels, the definition of management criteria and indicators, and the strengthening of strategic decision-making.

In addition, governance of risks related to prohibited practices and conduct was strengthened by bolstering specialized committees—the Prohibited Practices Committee and the Workplace Integrity Committee—through the inclusion of external and independent experts, which contributes to a more robust and transparent management of integrity risks both within and outside the organization.

Through the Office of Ethics, Integrity, and Compliance (OEIC), CAF ensures compliance with these standards and the proper development and implementation of integrity-related programs in its activities.

Likewise, the OEIC is subject to periodic internal audit reviews, at least every two years, covering the scope of its Ethics, AML/CFT, and Prohibited Practices programs.

Anti-Corruption Communication and Training for Employees

GRI 205-2

CAF prioritized the promotion of an institutional culture of ethics, integrity, and compliance through a comprehensive communication and training program aimed at its staff. These actions included internal campaigns, educational resources, and training activities designed to strengthen awareness and prevent prohibited practices, money laundering, and terrorist financing, as well as ensure compliance with the Code of Ethics, both within and outside the organization.

Among the main initiatives was the launch of the OEIC training program "Integrity in Action," which includes, among other components, training on the Code of Ethics for all full time employees and interns. This annual and mandatory program for all employees and interns achieved a 95 % participation rate, with 824 participants and an average of 3.4 training hours per person.

Additionally, the 2025 Annual Integrity Event (MDB PS Integrity Meeting 2025) was held, co-organized for the first time by CAF, through the OEIC, together with the Inter-American Development Bank (IDB). The event was attended by 33 leaders of integrity teams from 20 multilateral development banks in Europe, Asia, Africa, and the Americas, with the aim of strengthening cooperation, the exchange of best practices, and integrity risk management in public and private sector operations.

These initiatives helped strengthen the institutional culture of integrity, accountability, and prevention throughout the organization.

*Note: CAF does not have part-time employees.

Anti-Corruption Communication to Business Partners

The content and scope of the Code of Ethics and integrity policies aimed at clients, suppliers, consultants, and the general public are published on CAF's institutional website, along with the contractual engagement processes. Furthermore, specific clauses for the prevention of prohibited practices, money laundering, and terrorist financing are incorporated into contracts with clients and counterparties to mitigate risks and promote consistent ethical standards throughout the value chain.

Incidents of Corruption and Measures Taken

GRI 205-3

During the reporting period, CAF managed communications and complaints received through the institutional Whistleblower Hotline, a confidential, secure, and independent platform through which alleged prohibited practices in CAF's operations and misconduct related to staff are reported.

Of the total **44 reports received,** none were linked to corrupt practices.

Consistent with the above, during the reporting period, no disciplinary measures were imposed on employees, nor were contracts with business partners terminated or not renewed due to corruption-related violations. CAF maintains these processes under strict confidentiality criteria, in accordance with its internal regulations and applicable standards.

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Prevention of Prohibited Practices, Money Laundering, and Terrorist Financing

GRI 2-16

In 2025, CAF significantly strengthened its efforts to prevent money laundering and terrorist financing (ML/TF) through a risk-based approach aligned with the 40 Recommendations of the Financial Action Task Force (FATF). These actions included the development and approval of institutional methodologies for assessing AML/CFT risks and international sanctions, with the aim of strengthening analysis processes and providing technical inputs for strategic decision-making.

The policies and procedures for AML/CFT risk management and the prevention of prohibited practices apply to all of CAF's business operations, as well as to the processes for establishing relationships with third parties. Within this framework, in 2025, improvements were implemented to strengthen the governance of risks related to prohibited practices, and due diligence procedures applicable to clients and counterparties were reinforced.

These tools complement internal analysis processes and enable more robust and preventive management of risks associated with money laundering, terrorist financing, and prohibited practices. In this regard, when the nature or potential impact of a related risk warrants it, CAF has formal processes in place for the timely and periodic communication of critical concerns to the relevant governing body, through established institutional channels and specialized committees.

Conflicts of Interest

In 2025, CAF continued to strengthen its preventive and management approach to conflicts of interest as an integral part of its ethical culture. Within this framework, the Office of Ethics, Integrity, and Compliance (OEIC), with the support of the Workplace Integrity Committee, reinforced processes aimed at ensuring the early identification, proper assessment, and mitigation of situations that could compromise objectivity, independence, and impartiality in institutional decision-making.

In accordance with the Code of Ethics, all CAF employees are responsible for promptly reporting any actual, potential, or apparent conflicts of interest. In this regard, CAF ensures that personal interests do not interfere with institutional decisions or the fulfillment of its duties and obligations as a multilateral development finance institution.

As part of this process, CAF staff are required to periodically complete the "Declaration of Investments and Executive Positions in Other Companies" through the Institutional Disclosure System. This declaration collects information regarding situations in which staff members or their relatives are shareholders, partners, or contributors with stakes equal to or greater than 10 % of the equity capital of entities; participate in boards of directors, executive committees, boards of trustees, founding councils, or other similar governing bodies; or exercise managerial responsibilities in such entities.

Once collected, this information is processed and incorporated into the institutional screening system (SafeWatch), from which the corresponding lists are generated. If matches are identified, they are evaluated, and if the analysis determines the existence of a situation constituting a violation of internal regulations due to a conflict of interest, the case is reported to the Workplace Integrity Committee for handling in accordance with established procedures.

The purpose of this process is to identify and prevent potential conflicts of interest early and on an ongoing basis, as well as to have systematic and up-to-date information that allows for the proper management of these risks.

Additionally, in 2025, the Conflict of Interest Guide, "What to Do in the Event of a Conflict of Interest," was developed and distributed as part of an institutional awareness-raising effort directed at all staff members. This guide aims to reinforce the institutional culture and strengthen the knowledge necessary to identify and properly manage such situations, and includes supporting material with practical examples and recommendations for the responsible management of conflicts of interest.

Additionally, in 2025, the Administration and Human Capital Management Department (AHCM) and the Legal Advisory Office updated, through the Personnel Manual, the measures that must be followed for staff to participate in boards of directors or governing bodies of companies and associations, in accordance with current internal regulations.

Throughout 2025, advisory services related to conflicts of interest were provided in response to inquiries from CAF staff, with a significant portion of these inquiries concerning participation on boards of directors.

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Environmental and Social Management Framework

GRI 3-3

In early 2025, CAF published the new Environmental and Social Management Framework for Operations (MGAS), through which it reaffirms its commitment to the sustainable development of its shareholder countries. This framework establishes a set of common yet differentiated responsibilities between CAF and its borrowers to ensure the environmental sustainability and social responsibility of the investment programs and projects financed by the institution. The framework is a core instrument for identifying, managing, and mitigating environmental, social, and climate risks across CAF's operations.

The MGAS defines CAF's commitments regarding human rights; gender equality, non-discrimination, and inclusion; the protection and conservation of biodiversity and natural resources; respect for and protection of ethnic groups and cultural diversity; action on climate change, the strengthening of consultation, outreach, and engagement processes with communities potentially affected by operations, as well as the associated accountability mechanisms.

One of the core pillars of the MGAS is the set of Environmental and Social Safeguards (SAS), which establish the requirements that borrowers must meet to ensure comprehensive, adequate, and timely management of the environmental and social risks associated with CAF-financed operations, in order to fulfill the aforementioned commitments.



Environmental and Social Risk Management Process for Operations

Within the framework of the MGAS, CAF implements a technical-administrative process for the comprehensive management of environmental and social risks throughout the entire credit cycle and equity investments. The responsible parties are detailed in the section "Stakeholders in Environmental and Social Risk Management." This process includes the following stages, in which the Business Vice-Presidencies (BVPs), the Environmental, Social, and Climate Risk Unit (URASC, for its Spanish acronym), and the Environmental and Social Assessment and Monitoring Coordination Unit (CESAS, for its Spanish acronym) participate. This process includes the following stages:

ORIGINATION STAGE

In this stage, the environmental and social risk of the operation is classified based on the magnitude and nature of the risks and impacts inherent to the project, its location, the sensitivity of the environment where it will be carried out, and the capabilities of the implementing entity, among other factors *(screening)*. Likewise, the scope of the due diligence is established *(scoping)*, and the Environmental and Social Safeguards to be evaluated during the due diligence process are preliminarily activated.

ASSESSMENT STAGE

In this stage, environmental and social due diligence is conducted for the operations seeking financing. The objective is to determine whether the environmental and social management strategy proposed by the borrower is aligned with the provisions of the MGAS and the Environmental and Social Safeguards, identifying potential gaps. As a result of this assessment, CAF agrees with the borrower on an Environmental and Social Action Plan (ESAP) that establishes the necessary actions to address these gaps.

FORMALIZATION STAGE

During this stage, the legal documentation for the operation is signed, and the ESAP becomes an integral part of that documentation.

MANAGEMENT PHASE

In this phase, CAF conducts ongoing monitoring and supervision to assess the environmental and social performance of the operation, particularly compliance with the provisions of the ESAP and any other conditions agreed upon in the legal documentation. Additionally, it verifies that the environmental and social risks associated with any modifications to the operation are adequately mitigated and comply with CAF's standards and policies.

Stakeholders in Environmental and Social Risk Management

The management of environmental and social risks is a primary responsibility of the borrowers, who must comply with the environmental and social regulations in force in their countries, as well as with CAF's Environmental and Social Safeguards.

Within CAF, this management is carried out through a participatory and differentiated process, in which the roles and responsibilities of the various institutional stakeholders are clearly defined. This approach ensures that all decisions are documented, systematized, and traceable, facilitating their use as input for informed decision-making.

Governance of this process is distributed among actors in the first and second lines of defense (see the *Internal Control section*), within the framework of CAF's Comprehensive Risk Management Model.

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Three lines of defense

First line
The Business Vice Presidencies (BVPs) constitute the first line of defense, as they generate part of the institution's risk exposure in the course of fulfilling their responsibilities. As the owners of these risks, the BVPs are responsible for identifying, assessing, controlling, and mitigating the environmental and social risks of operations on an ongoing and efficient basis, in compliance with the regulatory framework established by CAF.

These responsibilities of the BVPs are carried out with the support of crossfunctional technical advisory services provided by the Environmental and Social Assessment and Monitoring Coordination Unit (CESAS), which reports to the Climate Action and Positive Biodiversity Management Unit (GACBP). CESAS advises business units to ensure that the management of environmental and social risks in operations complies with CAF's Management Policies, Environmental and Social Safeguards, and applicable national and local legislation.

Second line
It is composed of the Corporate Risk Management Office (GCR), which, through the Environmental, Social and Climate Risk Unit (URASC), is mainly responsible for defining the conceptual, methodological, and procedural framework for the comprehensive management of these risks, supervising its proper implementation, and issuing an independent technical opinion on the results of the process.

Third line
The results of this process, including environmental and social due diligence, are reviewed during the credit evaluation process by the Credit and Investment Committee (CIC), chaired by the Executive President, which is empowered to assess the viability of operations by considering, among other factors, their environmental and social implications. In this way, CAF promotes the application of high standards in the environmental and social management of its operations.

CAF's Environmental and Social Safeguards

Through the application of Environmental and Social Safeguards (ESS), CAF seeks to ensure that its financial operations comply with high environmental and social standards. Their implementation helps strengthen the competitiveness of economic sectors, reduce social gaps, promote equal opportunities and non-discrimination in access to operational benefits, prevent environmental degradation, drive economic growth, improve communities' quality of life, and promote climate change mitigation and adaptation.

CAF's Environmental and Social Safeguards establish the requirements that borrowers must meet during the design, execution, and administration of operations financed by the institution, and are structured as follows:



ESS 1. Assessment and Management of Environmental and Social Impacts

Aims to identify, assess, and manage the environmental and social impacts associated with operations, including those related to climate change.

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ESS 2. Use of Renewable Natural Resources

Aims to prevent financed projects from causing the degradation of renewable natural resources, particularly water resources and soils.

ESS 5. Cultural Heritage

Recognizes and respects cultural heritage, both tangible and intangible, promoting its protection, conservation, and the dissemination of its significance and importance.

ESS 3. Conservation of Biological Diversity

Promotes the conservation of native biodiversity and the integrity of ecosystems. It also seeks to prevent and, where this is not possible, minimize, mitigate, and offset the negative impacts generated by operations.

ESS 6. Ethnic Groups and Cultural Diversity

Seeks to safeguard the physical, territorial, social, cultural, and economic integrity of ethnic groups. It also promotes the conduct of free, prior, and informed public consultation processes regarding actions that may affect them.

ESS 8. Working Conditions and Training

It promotes safe and healthy working conditions, fair treatment without discrimination and with equal opportunities, as well as the prevention of harmful child labor and forced labor.

ESS 4. Pollution Prevention and Management

It establishes measures aimed at preventing and minimizing negative impacts on human health, biodiversity, and ecosystems resulting from operations.

ESS 7. Population Resettlement

Aims to ensure that, when project-related displacements occur, affected persons are resettled in a manner that improves or at least restores their socioeconomic conditions and standards of living in a sustainable way.

ESS 9. Gender Equity

Seeks to ensure that women and men benefit equitably from financed projects, while also promoting their equal participation in the design and implementation of operations.

Application of Environmental and Social Safeguards

The Coordination of Environmental and Social Assessment and Monitoring (CESAS) conducted a review of compliance with the requirements of the Environmental and Social Safeguards (ESS) in the operations financed by CAF. This process includes the preliminary assessment of environmental and social risks, environmental and social due diligence during the appraisal stage, as well as monitoring of environmental and social performance during the implementation of operations. Results are shown in table 6.3 as follows.

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Table 6.3

Environmental and Social Review of Financing Operations (2021–2025)

Environmental and social assessments (total)	Preliminary environmental and social risk assessment	Environmental and social due diligence	Monitoring of environmental and social performance
199	43	54	102
208	46	98	64
318	105	131	82
341	93	151	97
417	112	152	153

Environmental and social monitoring reports (total)	Technical monitoring criteria	Environmental and social risk reports
927	856	71
925	822	103
894	793	101
634	524	110
575	540	35*

- Type of review
- 2021
- 2022
- 2023
- 2024
- 2025

* This reflects an optimization of the monitoring protocol that prioritizes controls in operations with low performance or higher risk levels.

Meanwhile, the Environmental, Social, and Climate Risk Unit (URASC, for its Spanish acronym) issued independent technical opinions on the results of the environmental and social risk management process for 302 financed operations. These assessments help strengthen environmental and social risk governance and provide technical input to the institutional decision-making process.

Table 6.4

Operations Reviewed by URASC by Environmental and Social Risk Category (2025)

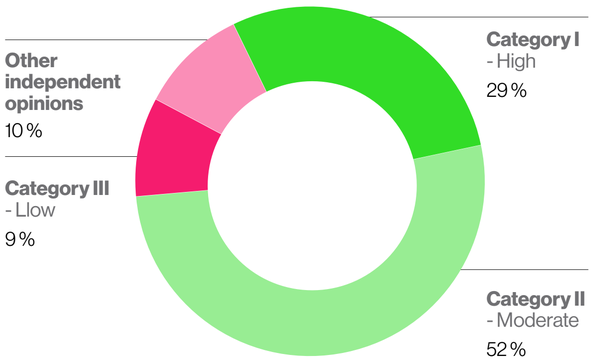
Risk category	**Category I** – High risk	**Category II** – Moderate risk	**Category III** – Low risk	**Other independent opinions**
Number of operations	89	156	27	29

TOTAL

302

Figure 6.1

Operations by Environmental and Social Category



More information on environmental and social risk classification

For more information on the classification of the environmental and social risk level of operations, see.

Key Milestones of MGAS

Start of the final phase of the review of the Environmental and Social Safeguards (ESS)

The final phase of the project to review and adjust the ESS and their Technical Notes began, with the aim of strengthening the environmental and social management of operations in line with CAF's business model and the regional context.

Update of the Preliminary Climate Risk Analysis Tool (PCRAT)

Progress was made in updating and systematizing the PCRAT, aimed at identifying and assessing the impacts of physical risks associated with climate change on operations. This tool enables the optimization of climate risk assessment through the use of specialized geospatial information and updated climate models.

Integration of environmental, social, and climate criteria into the Sovereign Portfolio Assessment and Rating System (SPARS)

Environmental, social, and climate aspects were incorporated into the SPARS, a new institutional tool aimed at improving the identification and comprehensive management of risks in operations.

Mainstreaming of gender, inclusion, and diversity (GID)

The integration of gender, inclusion, and diversity into the environmental and social management of operations was consolidated by incorporating them into all Environmental and Social Safeguards, as well as through the development of a new Gender Equality Safeguard.

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Environmental and Social Grievance Mechanism (ESGM)

GRI 2-25, 2-26

CAF has an accountability mechanism known as the Environmental and Social Grievance Mechanism (ESGM). This mechanism serves as an alternative dispute resolution mechanism and a timely, direct channel of communication, made available to the public and stakeholders to address concerns or grievances related to potential adverse environmental and social impacts associated with operations financed by CAF.

The ESGM guarantees access and service without discrimination based on age, sex, gender, sexual orientation, beliefs, disability, or ethnicity. It also ensures linguistically and culturally appropriate service, recognizing the specific characteristics of the individuals and communities involved in each case.

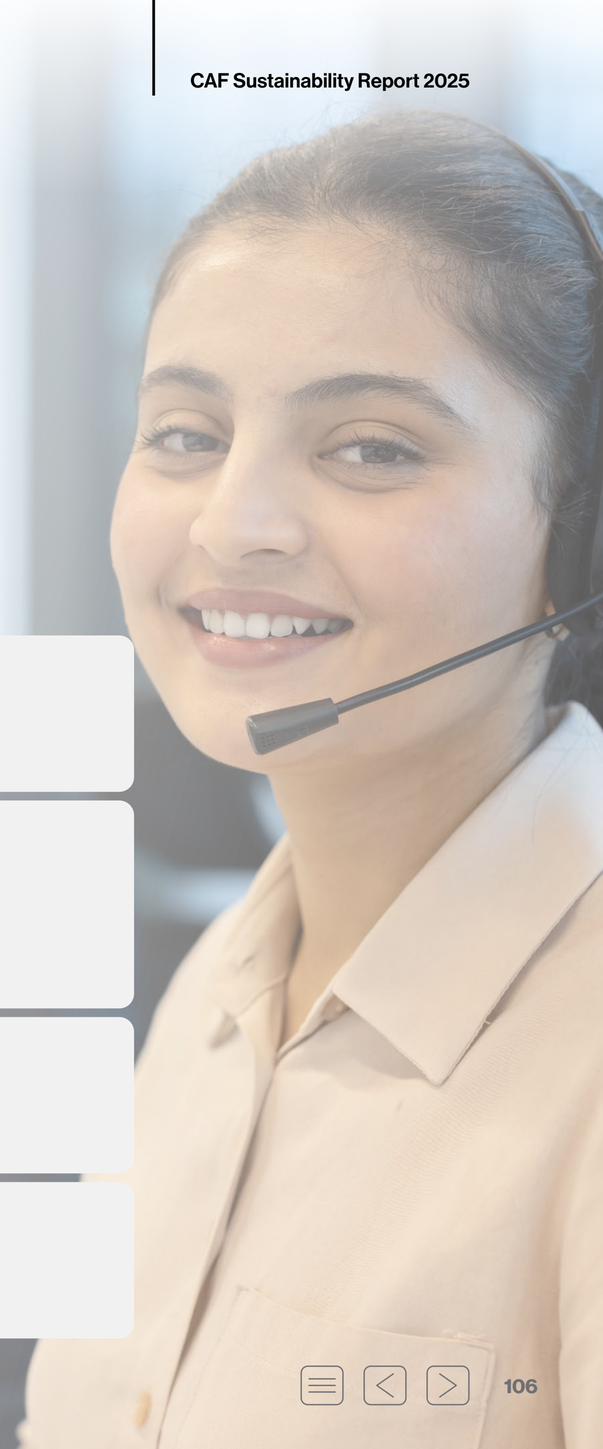
In 2025, CAF made significant progress in strengthening the ESGM:

The Guide for the Design and Implementation of Complaint and Grievance Handling Mechanisms (CGHM) was published, aimed at standardizing complaint management at the project level and strengthening the capacity of implementing agencies to address them in a timely and transparent manner.

The following were developed: (i) the guide for drafting the *Protocol for the Responsible Referral of Complaints Related to Gender-Based Violence (GBV)* within the CGHMs, and **(ii)** the *Protocol for the Referral of GBV Cases* for the ESGM. These instruments guide safe, ethical, and person-centered responses and establish guidelines for coordination with specialized services.

An internal awareness-raising process was implemented to strengthen operational teams' understanding of the CGHM guidelines, promoting their proper application and consistent guidance for beneficiaries.

A training program was conducted for approximately **100 staff members with operational responsibilities,** strengthening their technical capacities in the design and implementation of CGHMs.



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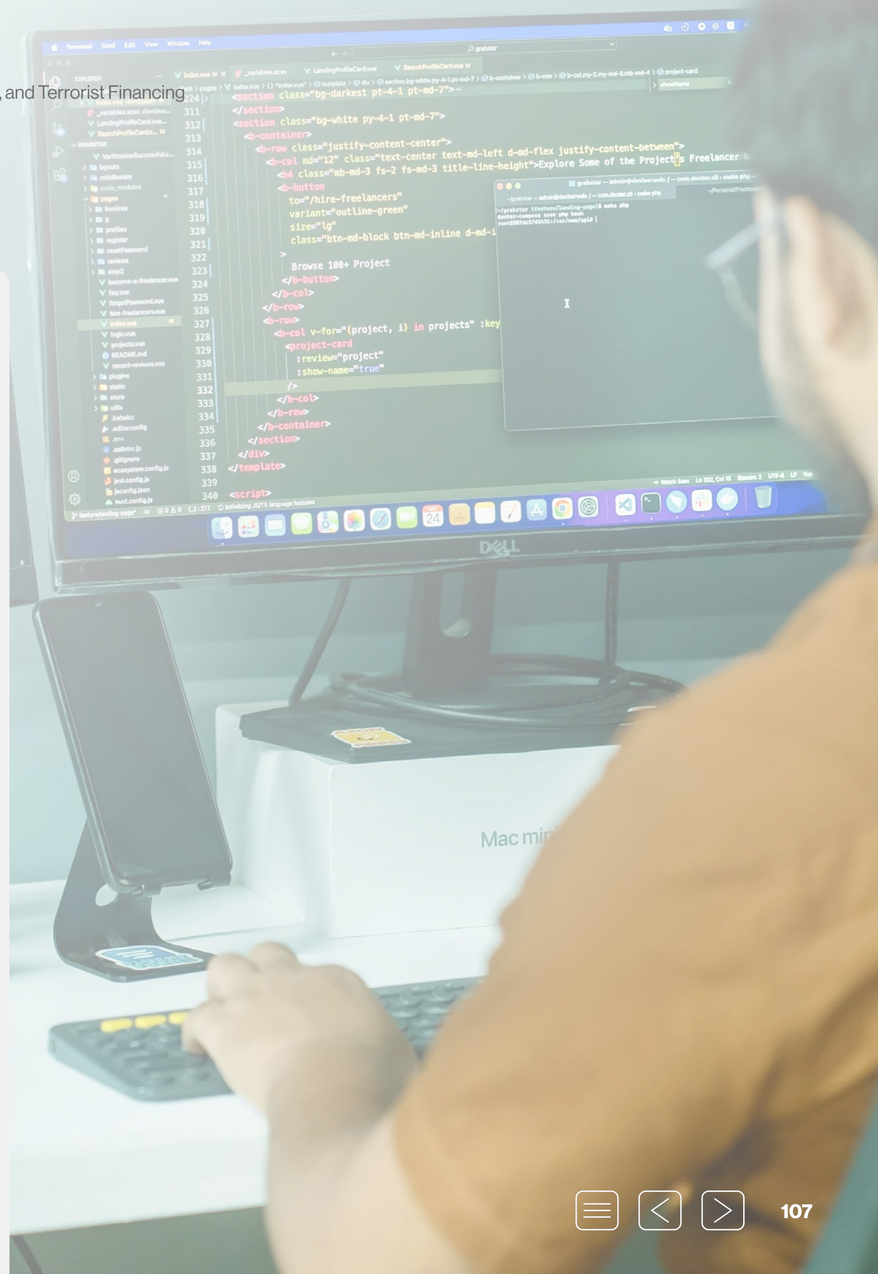
Regarding case management, during 2025, the ESGM registered four new complaints, one of which did not include a request for confidentiality. Two cases advanced to the eligibility analysis stage and one to the resolution analysis phase. All complaints were processed in accordance with established procedures, ensuring consistency, timeliness, and traceability.

In addition, all cases—regardless of their eligibility—were analyzed to identify potential opportunities for improvement in environmental, social, or gender management. When relevant issues were identified, they were communicated to the relevant internal departments, enabling the formulation of preventive and corrective recommendations.

This approach, based on the precautionary principle, helps strengthen operational management and generates inputs for institutional monitoring of environmental, social, and governance (ESG) performance.

Looking ahead to 2026, the evolution of the ESGM presents strategic challenges aimed at strengthening its effectiveness:

- Expand the mechanism's accessibility in areas with high vulnerability and connectivity limitations.
- Strengthen borrowers' capacity to implement effective CGHMs, especially in more complex operations.
- Expand outreach and training on responsible referral protocols for cases of GBV.
- Strengthen communication regarding the rights and responsibilities of complainants, including confidentiality guarantees and the scope of the mechanism.
- Improve the monitoring and verification of corrective actions resulting from case analysis.
- Consolidate indicator systems that allow for more accurate measurement of the ESGM's effectiveness and its contribution to ESG risk management.



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Audit Practices at CAF

During 2025, the audit function consolidated its strategic role of assurance and independent advisory services, contributing to the strengthening of the institution's transparency, sustainability, and corporate governance practices. This progress was underpinned by the adoption of the new International Standards for the Professional Practice of Internal Auditing, from the Institute of Internal Auditors (IIA), which were incorporated into CAF's internal regulations, including the bylaws, manuals, and guidelines, with the aim of ensuring alignment with international standards and global best practices.

In parallel, the Digital Strategic Audit Plan was launched, conceived as the roadmap toward a smart audit for the 21st century. This plan guides the transition toward a continuous, automated assurance ecosystem driven by artificial intelligence, further developing the automated audit model. This approach enables the generation of more timely and accurate results, covering over 100 % of transactions, thereby strengthening the capacity for early risk detection and the quality of assurance.

During the period, 100 % of the Annual Audit Plan was executed, providing independent assurance and advisory services aimed at strengthening information management and supporting decision-making in key areas such as sustainability, transparency, and corporate governance. The reviews conducted included a comprehensive survey of staff knowledge, perceptions, and engagement regarding sustainability, contributing to the strengthening of an organizational culture focused on generating sustainable value.

Likewise, the institutional positioning was reinforced through participation in international internal audit conferences and events organized by the Institute of Internal Auditors (IIA), ISACA, and other specialized organizations. These events promoted the exchange of innovative experiences and best practices with audit departments of other multilateral organizations, strengthening internal capacities and consolidating institutional synergies.



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Auditable Entities

The audit function defines its universe of Auditable Entities as the set of strategic institutional areas subject to review and assurance, in accordance with a standard methodology for planning the auditable universe used in auditing and under a risk-based audit approach, aligned with CAF's Strategic Plan.

This scope encompasses key processes and cross-cutting functions that are critical for the responsible management of resources, institutional transparency, and the strengthening of good corporate governance.

Within this framework, the 2025 Audit Plan identified seven auditable entities, aligned with CAF's strategic priorities. These entities are reviewed and updated in each annual planning cycle, based on institutional planning and the risk-based audit approach. Their definition allows audit activities to be focused on areas of greatest institutional impact, ensuring comprehensive, strategic coverage that is consistent with the institution's sustainability and performance objectives.

The following are the auditable entities for 2025:

- Loan and Equity Investment Portfolio
- Partnerships, Resource Mobilization, and Resource Management
- Governance
- Support Management
- Communication / Transparency
- Financial Management
- Country Offices



Solvency and Financial Sustainability
Human Capital and Organizational Well-Being
Environmental Sustainability
Digital Transformation and Operational Efficiency

Internal management and organizational performance

Solvency and Financial Sustainability

GRI 3-3

CAF has a financial strategy aimed at ensuring its long-term solvency and sustainability through efficient capital management, strengthening its reputation in financial markets, and expanding its capital base to support the financing needs of its member countries. This strategy has enabled the bank to maintain strong credit ratings, facilitating access to financing in international markets on favorable terms, as well as the provision of competitive financing for loan operations.

The institutional strategy focuses on capital strengthening, driven primarily by shareholder contributions, complemented by sustained profitability and the implementation of balance sheet optimization tools. These elements help reinforce CAF's credit indicators, expanding its capacity to sustain the growth of its operations and maintain adequate solvency levels.

In 2025, CAF reached a milestone in its credit ratings, achieving the highest level in its history as assigned by the major rating agencies. Since 2022, the institution has accumulated five rating upgrades and four outlook upgrades, positioning itself among the multilateral development banks with the best credit performance during the period. In 2025, Moody's Investors Service, S&P Global Ratings, and Fitch Ratings took positive actions regarding CAF's ratings, reflecting shareholder support, capital strengthening, prudent liquidity management, and loan portfolio diversification.

Table 7.1

Credit Risk Ratings (December 2025)

Fitch Ratings	Moody´s Investors Service	Standard & Poor's	Japan Credit Rating Agency
Long-term: **AA-**	Long-term: **Aa3**	Long-term: **AA+**	Long-term: **AA+**
Short-term: **F1+**	Short-term: **P-1**	Short-term: **A-1+**	Short-term: **-**
Outlook: **Positive**	Outlook: **Positive**	Outlook: **Stable**	Outlook: **Stable**

In line with this strategy, CAF continued to strengthen its capital base by expanding its membership in the Caribbean and implementing a USD 7,000 million capital increase program. It also made progress in adopting balance sheet optimization tools that complement shareholders' capital contributions.

Significant milestones were achieved in this area during 2025. In May, CAF completed its first Exposure Exchange Agreement (EEA) for USD 700 million, improving portfolio diversification metrics. In June, it issued its first hybrid bond for USD 500 million, an innovative transaction that received a 100 % capital allocation from S&P, Fitch, and Moody's. In December, the first credit risk insurance transaction for a private sector operation was completed.

Key results of the financial strategy

USD 1,062.5
million in capital contributions.

Equity of
USD 17,675.1
million, equivalent to a **10.5 %** increase over the previous year.

Total assets of
USD 64,714.8
million.

Net income of
USD 623.2
million, in line with the 2024´s result.

Liquidity of
USD 21,648.0
million.

Loan portfolio of
USD 38,322.2
million.



Sustainable Finance in Capital Markets

In 2025, CAF strengthened its position in sustainable finance with the launch of its new Sustainable Finance Framework, a unified institutional standard aligned with the International Capital Market Association (ICMA) principles that establishes guidelines for the issuance of green, blue, social, sustainable, and thematic instruments. This framework lays the groundwork for future labeled debt issuances.

Additionally, CAF was elected to the Executive Committee of the ICMA, becoming the first institution in Latin America and the Caribbean to join this global standards-setting body for sustainable finance.

In line with this strategy, CAF made significant progress in its thematic issuances. In 2025, the institution exceeded its commitment to allocate at least 20 % of these issuances to sustainable-labeled bonds, reaching 23.7 %. In this context, it carried out the largest sustainable issuance in its history, for EUR 1,500 million, which recorded CAF's largest order book, at EUR 14,900 million. This transaction was subsequently recognized with the **"Sustainability Bond of the Year - Supranational"** award at the Environmental Finance Sustainable Debt Awards 2026.

Additionally, CAF issued its first Blue Bond, worth EUR 100 million, to finance sustainable coastal development and marine conservation initiatives in Latin America and the Caribbean, with the UNDP serving as technical advisor. It also launched the region's first Resilience Bond and the world's second under the CBI and UNDRR taxonomy, worth USD 100 million, aimed at disaster risk reduction and climate adaptation of critical infrastructure, with UNDRR serving as technical coordinator.

ESG Ratings

As a result of progress in governance, environmental management, social inclusion, and transparency, CAF recorded improvements in its external ESG assessments. In 2025, Morningstar Sustainalytics improved CAF's ESG Risk Rating from 12.2 to 11.7, maintaining the institution in the Low Risk category. As of March 23, 2026, CAF received an MSCI ESG Rating of BBB, representing an improvement over its previous assessment and reflecting the management actions undertaken during 2025.

Rated
MORNINGSTAR | SUSTAINALYTICS

Human Capital and Organizational Well-being

GRI 3-3





CAF consolidated its human talent management approach as a key enabler of institutional sustainability, focusing its efforts on strengthening technical and professional capabilities, promoting equitable and safe working conditions, and fostering an organizational culture based on well-being, ethics, and continuous improvement. This approach recognizes that institutional performance depends on the commitment, development, and stability of the staff.

Within this framework, priority was given to the initiative to strengthen organizational culture and a sense of belonging, implemented across all of the institution's offices. During 2025, more than 150 in-person, remote, and hybrid sessions were held, with an average participation rate of 77 % and a recommendation index of 77 points, demonstrating high levels of staff engagement.

The human talent strategy is implemented based on principles of equity, professionalization, and respect for labor rights, through policies and practices that encompass workforce structure and composition, talent attraction and retention, continuous training, performance evaluation, organizational well-being, and the promotion of diversity and non-discrimination. These actions are supported by monitoring and evaluation mechanisms that allow for the measurement of their effectiveness and the incorporation of continuous improvements.

Likewise, as part of the organizational culture initiative, and with the impetus of the cultural accelerators teams and the support of institutional promoters, CAF's four values and six cultural statements were promoted, strengthening internal cohesion and the adoption of the institutional identity.

Our values

Commitment
We work with dedication and social sensitivity inspired by the well-being of the region.

Reliability
We act with strong ethical principles and high standards of integrity to ensure institutional sustainability.

Quality
We serve our clients with excellence, agility, and efficiency, supported by our experience and specialized technical knowledge.

Growth
We approach our expansion with an understanding of our environment, fostering continuous learning and driving innovation.

Cultural statements

Connecting mind and heart through the expression of our shared principles and beliefs.

01 We work by and for Latin America and the Caribbean, generating a positive impact as a legacy for future generations.

02 We cultivate our sense of belonging by highlighting our essence as a Development Bank.

03 We are committed to an environment that promotes the safety and respect of every person who is part of the organization.

04 We manage responsibly and efficiently the resources entrusted to us.

05 We incorporate environmental and social sustainability as part of our identity.

06 We are a diverse and inclusive team that acts with integrity and empathy.

Staff Composition and Employment Arrangements

GRI 2-7; 2-8

As of the end of 2025, CAF's workforce totaled 908 people, distributed across the regions where the institution operates: headquarters, Northern Region, Southern Region, Mexico and Central America, Europe, and the Caribbean.

In terms of gender, the workforce was evenly distributed, with 50 % men (485 people) and 50 % women (477 people). Regarding employment status, 94 % of staff (851 people) were employed under permanent contracts, while 6 % (57 people) were on fixed-term contracts.

By job category, the largest concentration was in professional positions (84 %), followed by managerial (10 %) and administrative (6 %) roles, reflecting an organizational structure geared toward the institution's technical and specialized strengthening.

Table 7.2
Type of Employment

Type of contract	2023 Men	2023 Women	2024 Men	2024 Women	2025 Men	2025 Women
Direct employees with permanent contracts	437	381	432	382	442	409
Direct employees with fixed-term contracts	18	16	21	41	20	37
External contractors (permanent and fixed-term)	10	16	20	10	23	31
Total	**465**	**413**	**473**	**433**	**485**	**477**
%	53 %	47 %	52 %	48 %	50 %	50 %

Table 7.3
Type of Contract by Region

Region	2023 Permanent	Fixed	2024 Open-ended	Fixed	2025 Open-ended	Fixed
Headquarters	265	5	259	5	255	9
North	284	15	276	34	295	28
South	232	13	235	19	249	14
Mexico and Central America	19	1	25	2	31	3
Europe	11	0	11	0	12	1
Caribbean	7	0	8	2	9	2
Total	818	34	814	62	**851**	**57**
%	96 %	4 %	93 %	7 %	94 %	6 %

Table 7.4
Distribution by Occupational Category, Gender, and Age 2025

Category	2025							
	Aged 18–30		Aged 30 to 50		Over 50		TOTAL	%
	Men	Women	Men	Women	Men	Women		
Executive	0	0	30	18	28	17	93	10 %
Professional	21	30	259	287	95	70	762	84 %
Administrative	1	4	8	13	20	7	53	6 %
Total	22	34	297	318	143	94	**908**	**100 %**
%	2 %	4 %	33 %	35 %	16 %	10 %	100 %	100 %

Regarding gender distribution by category, women account for 51 % of professional positions, 45 % of administrative positions, and 37 % of management positions, demonstrating progress in women's participation, particularly in technical roles.

Talent Attraction, Turnover, and Retention

GRI 401-1

New Hires

In 2025, CAF recorded 72 new hires, reflecting the continuity of its efforts to attract and retain qualified talent. The institution strengthened its recruitment processes by incorporating criteria for inclusion, gender diversity, and nationality, in line with its talent management approach.

Table 7.5
New Hires

Total New Hire Rate	
2022	75
	0.8 %
2024	69
	0.67 %
2023	95
	0.9 %
2025	**72**
	0.68 %

CAF made progress in optimizing its selection processes by implementing the Talent Selection Panel (PST), a tool that consolidates the three highest-rated profiles in each process, incorporating both resume information and qualitative feedback from technical interviews. This mechanism improved the quality of decision-making, reduced hiring times, and facilitated the reuse of applications in subsequent processes. Furthermore, its future integration with automated systems such as SAP SuccessFactors is planned.

Internship Program

As part of its commitment to diversity, equity, and inclusion, CAF launched the DiversiCAF program in 2025, aimed at expanding access to training and early engagement opportunities for individuals from historically underrepresented groups. Through this initiative, nine interns from diverse ethnic and racial backgrounds were hired, including people of African descent and from indigenous and rural communities, representing a 200 % increase over the previous year.

Additionally, a pilot program was implemented to include a neurodiverse individual in a technical internship, contributing to the strengthening of inclusive practices and the generation of institutional learning for its eventual scaling up.

Complementarily, the internship program operated as a structured mechanism for early talent attraction and the strengthening of the institutional talent pool. Organized by cohorts with intakes primarily in March and October, the program had 57 active interns at the end of 2025, who participated in projects related to technical and administrative areas.

Talent Pool

CAF's Talent Pool is part of the institution's talent management and development strategy, aimed at ensuring the continuous availability of qualified, diverse human capital aligned with corporate strategic objectives. CAF recognizes that attracting, developing, and retaining top talent is a key factor in achieving its business objectives, fulfilling its institutional mandate, and ensuring the sustainability of its operations.

This talent pipeline consolidates information on previously evaluated candidates, including their strengths, areas for development and potential, and draws from various recruitment channels, such as internship programs, external selection processes, and internal mobility. Its use streamlines hiring processes, optimizes the identification of critical profiles, and strengthens talent continuity in response to new organizational needs.

As part of this talent bank strategy, CAF promotes the early incorporation of young talent through internship programs, designed not only as a training experience but also as a structured mechanism for identifying, developing, and eventually hiring high-potential talent. In 2025, three active interns were hired as employees, representing 4.1 % of total new hires that year, demonstrating the Talent Bank's role as an effective transition tool from early development to formal onboarding.

CAF maintains a talent pool that consolidates information on previously evaluated candidates, including their strengths and areas for improvement. This tool streamlines selection processes, optimizes the identification of suitable profiles, and reduces response times to new hiring needs.

Turnover Rate

GRI 401-1

During 2025, CAF recorded 45 employee departures, representing a turnover rate of 4.9 %, calculated over the total number of employees at the end of the period. Departures were concentrated primarily in the 30–50 age group (26 cases), followed by those over 50 (17) and those aged 18–30 (2). By gender, there were 21 men and 24 women.

Regionally, turnover was distributed across the Southern region (16), Northern region (15), headquarters – Venezuela (9), Mexico and Central America (3), and Europe (2), while the Caribbean recorded no departures during the period.

Turnover management was focused on preserving institutional stability and operational continuity through mechanisms for replacement planning, knowledge transfer, and proactive vacancy management to minimize impacts on teams and ensure the sustainability of organizational performance.

Table 7.6

Turnover by Region, Age, and Gender 2025

Region	Aged 18–30		Aged 30 to 50		Over 50	
	Men	**Women**	**Men**	**Women**	**Men**	**Women**
Headquarters - Venezuela	0	1	1	3	1	3
North	0	0	4	6	2	3
South	1	0	4	5	5	1
Mexico and Central America	0	0	2	0	1	0
Europe	0	0	0	1	0	1
Caribbean	0	0	0	0	0	0
Total by group and gender	1	1	11	15	**9**	**8**
Grand total	45					

For the third consecutive year, the turnover rate shows a downward trend, reflecting a stable work environment and the positive impact of the retention strategies implemented.

Table 7.7

Annual Comparison of Total Departures and Turnover Rate

	2023	2024	2025
Total departures	54	46	45
Turnover rate	**8.9 %**	**6.7 %**	**4.9 %**
Voluntary retirements	26	24	17
Voluntary retirement turnover rate	3.1 %	2.7 %	1.9 %

Gender Pay Gap

GRI 405-2

CAF systematically monitors pay equity between men and women by job category as part of its commitment to equal opportunity and non-discrimination.

Table 7.8
Pay Ratio Between Men and Women

Category	2023 Base salary	2023 Total compensation	2024 Base salary	2024 Total compensation	2025 Base salary	2025 Total compensation
Senior management	-8.9 %	-8.9 %	-11.5 %	-11.5 %	-12 %	-12 %
Executives	2.4 %	2.4 %	0.8 %	0.8 %	-2.2 %	-2.2 %
Senior professionals	-4.2 %	-4.2 %	-5.1 %	-5.1 %	-5.1 %	-5.1 %
Mid-level professionals	-2.5 %	-2.5 %	-4.0 %	-4.0 %	-5.7 %	-5.7 %
Professionals	-4.5 %	-4.5 %	-6.0 %	-6.0 %	-6.7 %	-6.7 %
Administrative	30.4 %	30.4 %	29.2 %	29.2 %	18.1 %	18.1 %

Well-Being, Work-Life Balance, and Employee Benefits

GRI 401-2; 401-3

CAF provided its employees* with a comprehensive package of employee benefits aimed at promoting well-being, economic security, and work-life balance. These benefits include health coverage, insurance, retirement planning, and parental leave, in compliance with applicable legislation and consistent with institutional policies.

These benefits were managed uniformly across the institution's main locations, ensuring equitable conditions for staff.

*Note: CAF does not have part-time employees.



Key Benefits

Health coverage and insurance:

CAF provides its staff with health plans, as well as life and accident insurance policies, contrib-uting to the comprehensive protection of employees and their families.

Maternity leave:

up to 26 weeks of leave, with the possibility of starting prior to the estimated due date, in ac-cordance with the conditions applicable in each location and specific situations.

Paternity leave:

ten weeks of leave in cases of legal recognition of parental authority over a minor in the em-ployee's care, regardless of biological or adoptive ties.

Paternity leave:

ten consecutive weeks of leave starting from the birth of a child.

Variable Incentive:

CAF has a variable incentive linked to performance management, designed to recognize employ-ees' contributions to the achievement of strategic and institutional objectives. The award is de-termined by the Executive Presidency, based on the achievement of corporate goals and indi-vidual performance evaluations. The incentive is funded through an annual budget allocation, calculated based on the current base salary, and is not considered part of the salary, thereby reinforcing the alignment between performance, results, and institutional sustainability. All CAF employees are eligible for this incentive, based on their performance.

Vacation bonus:

a bonus equivalent to fifteen days' pay in the first year of service, increasing by one additional day for each year starting from the second.

Educational subsidy for dependents:

a contribution to cover costs associated with the compulsory formal education of dependent children.

Seniority benefits:

A cumulative benefit equivalent to five days' pay per month of service, plus two additional days for each year worked, starting from the first year, up to a maximum of 30 additional days.

Retirement program:

a contributory plan consisting of contributions from the employee (7 % of the monthly base sala-ry) and CAF, which provides access to a pension upon retirement, as well as in cases of disability or permanent incapacity.

Family allowance:

an annual payment for each recognized dependent, intended to support the economic stability of the family unit.

Coverage of Employee Benefits

GRI 401-2

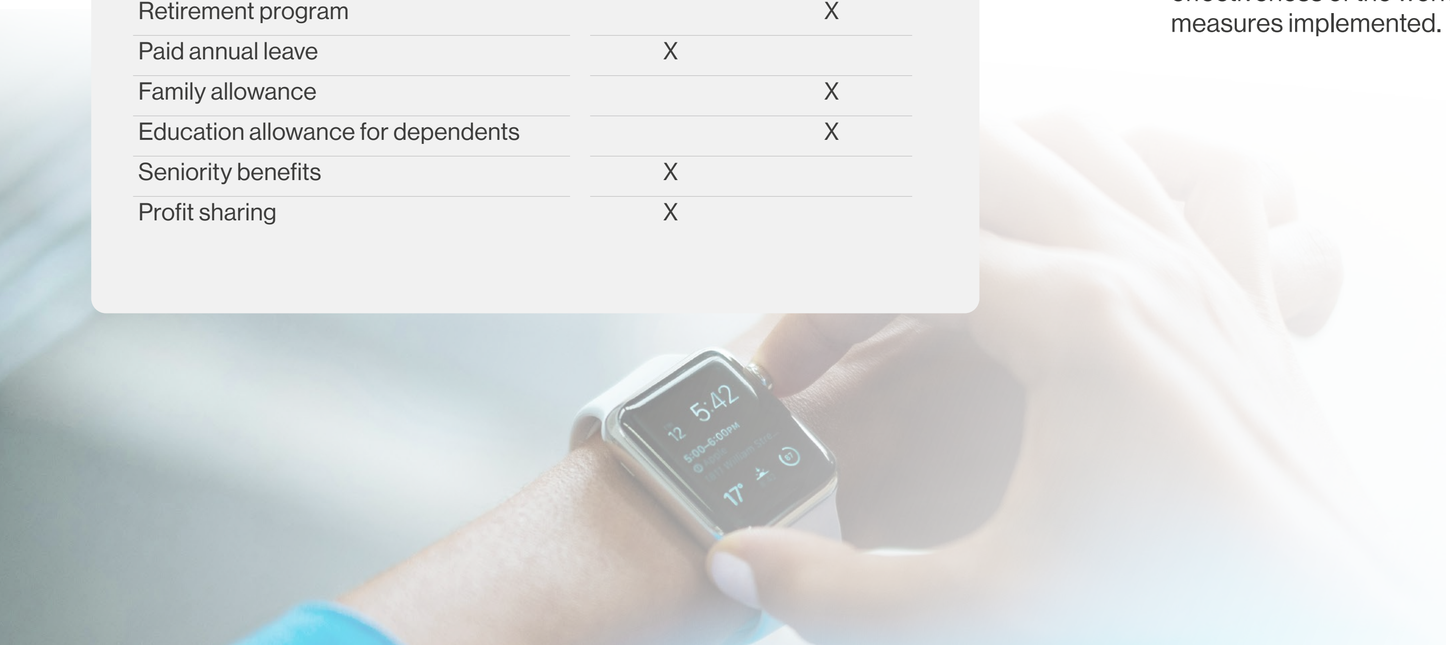
CAF guarantees access to a range of employee benefits for its staff, aimed at social protection, comprehensive well-being, and economic security. By 2025, benefit coverage extended to all or most employees, depending on the nature of each benefit.

Table 7.9
Benefit Coverage 2025

Life insurance 908	Health insurance 908	Pension fund 851	Disability and/or invalidity insurance 908
Vacation allowance 908	Child allowance 851	Seniority benefits 908	Maternity and paternity leave 908
Profit sharing 908	Education allowance for dependents 851		

Table 7.10
Access to Benefits by Contract Type 2025

Benefit	Permanent and fixed-term	Permanent only
Self-administered health plan	X	
International health insurance		X
Life insurance 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
Education allowance for dependents		X
Seniority benefits	X	
Profit sharing	X	



Parental Leave and Return to Work

GRI 401-3

CAF ensured access to parental leave for eligible staff, tracking cases of leave usage, return to work, and subsequent retention at the institution.

In 2025, 26 parental leaves were initiated, with a 100 % return-to-work rate and a 92.3 % retention rate, demonstrating the effectiveness of the work-life balance measures implemented.

Table 7.11
Parental Leave and Return to Work 2025

	Eligible staff	Licenses initiated in 2025	People who returned to work
Women	462	17	17
Men	446	9	9
Total	908	26	26

	Return rate	People who remain in CAF	Retention rate
Women	100 %	16	94.1 %
Men	100 %	8	88.9 %
Total	100 %	24	92.3 %

- Women
- Men
- Total

Organizational Climate and Employee Engagement

As part of its organizational well-being approach, CAF uses formal tools to measure employee engagement and satisfaction, with the results used to identify opportunities for improvement in the work environment, internal processes, and people management practices.

In 2025, the full annual organizational climate survey was not administered; however, a “Pulse” survey was conducted in May to monitor the evolution of the key drivers identified in the previous survey. This voluntary and anonymous tool achieved a 74 % participation rate among staff.

As a result, an eNPS (Employee Net Promoter Score) of +21 was obtained, representing a 3-point improvement over 2024. These results reflect a positive level of employee engagement and enable us to guide actions aimed at strengthening the employee experience and continuously improving the organizational climate.

Organizational Culture and Work Environment

In 2025, CAF continued the initiatives launched in 2024, consolidating progress in key areas of human talent management, including the Lidera program (Phase 2), the development of action plans by department, the expansion of training and mentoring opportunities, adjustments to compensation and benefits processes, and the strengthening of organizational culture.

The next comprehensive organizational climate assessment is scheduled for the first half of 2026, which will allow for a structured evaluation of the evolution of key indicators of employee engagement and well-being.



Training, Professional Development, and Performance Evaluation

GRI 404-1, 404-2, 404-3

Staff training and professional development are central components of human talent management at CAF. During 2025, the institution implemented programs aimed at strengthening technical, professional, and soft skills, aligned with institutional priorities and strategic objectives.

In terms of training intensity, an average of 17 hours of training was recorded for women and 16 hours for men, demonstrating a balanced gender distribution. By job category, the highest intensity was concentrated among professional and managerial staff, while administrative staff recorded lower levels of participation.

Table 7.12
Training Hours by Job Category 2025

Professional staff	Management staff	Administrative staff
17	17	8

Table 7.13
Trends in CAF staff training
GRI 404-1

Employees trained	Training hours	Average hours per employee
886	30,291	35
893	27,857	31
869	14,383	17

- 2023
- 2024
- 2025

Table 7.14
Training Hours by job Category and Gender 2025

Job category	2025 Employees trained		2025 Training hours		2025 Average hours per employee	
	Men	Women	Men	Women	Men	Women
Executive	42	28	858	326	20	12
Professional	364	374	5,928	6,770	16	18
Administrative	27	34	270	231	10	7
Total	433	436	7,056	7,327	16	17

CAF strengthened its training offerings through a comprehensive ecosystem that combines technical and cross-functional programs, leadership tracks, and synchronous, asynchronous, and in-person learning modalities.

Within this framework, CAF implemented the second edition of the comprehensive leadership development program LIDERA, which reached 96 employees through a hybrid methodology and recorded a 95 % satisfaction rate. The program features a segmented and progressive approach, designed according to the level of responsibility and leadership potential: the Leadership Academy is aimed at executives and managers; the corporate mentoring program ranges from Officers to Managers, with the participation of 52 employees; and executive coaching is geared toward leaders with managerial roles (directors and higher levels), reaching 11 leaders. All employees are eligible to participate in the LIDERA program.

CAF complements this offering with *Master Classes* and cross-functional training opportunities aimed at all employees, providing broad access to leadership content and capacity-building. Additionally, the institution funded more than 150 requests for external training and maintained a continuous training program accessible to all employees through institutional platforms such as UVCAF and LinkedIn Learning, as well as through agreements with universities, promoting continuous learning and skills development.

Performance Evaluation

GRI 404-3

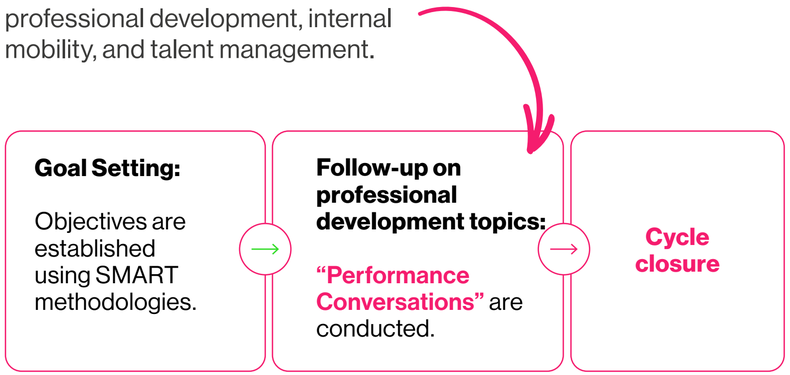
CAF maintained formal mechanisms for periodic performance and professional development evaluations, applied differently according to job category.

In 2025, the highest percentage of evaluations was concentrated among professional staff (44.2 % men and 40.1 % women), followed by management staff (4.6 % men and 2.8 % women) and administrative staff (3.6 % men and 4.6 % women).

The results of these evaluations were used to identify training needs, strengthen performance management, and guide decisions related to professional development, internal mobility, and talent planning.

Phases of Performance Evaluation

The performance evaluation process at CAF is conducted in a structured and periodic manner, encompassing different phases that allow for the assessment of goal achievement, competency development, and individual contribution to institutional results. These phases include goal setting, continuous monitoring, formal evaluation, and feedback, integrating inputs for decision-making regarding professional development, internal mobility, and talent management.



Diversity, Equality, and Ethical Culture

GRI 405-1; 405-2; 406-1

CAF actively promoted diversity, equality, and inclusion as fundamental components of its organizational culture. During 2025, awareness and training programs were implemented on key topics such as gender equity and ethnic-racial diversity, with participation from more than 56 % of staff, contributing to the strengthening of inclusive and discrimination-free work environments.

The institution has formal mechanisms in place for receiving, analyzing, and managing complaints related to misconduct. During the period, reported cases were addressed through established institutional channels, with monitoring of their status and corresponding actions. In cases where no additional remedial measures were required, the handling of the matter was duly documented, ensuring traceability and transparency.

In accordance with its Code of Ethics, CAF does not tolerate discrimination, harassment, violence in any form, or other misconduct. To this end, it has an Internal Justice System that allows staff to submit inquiries, concerns, or complaints through confidential mechanisms that combine formal and informal channels.

This system involves various institutional bodies, including supervisors, the Office of the Ombudsperson, the Human Capital Department, the Office of Ethics, Integrity, and Compliance, as well as specialized bodies such as the Workplace Integrity Committee (WIC) and the Committee on Prevention of Sexual Harassment (CPSH). This approach seeks to prevent, manage, and promptly resolve situations that may affect the work environment, promoting a culture based on respect, integrity, equity, and institutional trust.

Furthermore, in line with respect for the diversity of individual beliefs and values, staff members may request exemption from activities that directly conflict with their personal convictions, in accordance with the provisions of the Code of Ethics.

Ethics training was a key component of talent management in 2025. CAF encouraged staff participation in the institutional Code of Ethics course, which was integrated into both onboarding processes and ongoing training.

This mandatory training for all employees (including interns) reinforced understanding of the principles and expected behaviors, as well as helped prevent risks associated with improper practices, contributing to the strengthening of an organizational culture based on integrity and institutional responsibility.

Employee Grievance and Reporting Channels

CAF has formal, institutionalized, and confidential mechanisms for the receipt, management, and resolution of employee complaints and reports. These mechanisms include recourse to the Labor Integrity Committee (LIC) and the CAF Reporting Line (https://www.lineadenunciascaf.com/), an institutional channel permanently available and managed by an independent third party, Ernst & Young (EY), which strengthens its impartiality, traceability, and auditable recordkeeping.

In accordance with internal regulations, these mechanisms allow for the submission of identified or anonymous reports and provide for a structured management process that includes stages of receipt, initial assessment, preliminary inquiry, review by the competent bodies, investigation where applicable, case determination, and formal closure.

CAF guarantees the confidentiality of the identity of reporters and witnesses, the restricted handling of information, the possibility of anonymous reporting, and protection against retaliation. These cases are managed through formally established bodies, including the Technical Secretariat of the LIC, carried out by the Office of Ethics, Integrity and Compliance, as well as the Labor Integrity Committee itself, a collegiate body responsible for receiving, analyzing, and resolving labor-related complaints and reports. These mechanisms are available to all employees and form part of the institutional framework for labor integrity and the protection of rights in the workplace.

CAF also has specific mechanisms for the receipt and management of reports concerning Prohibited Practices related to its operations, which are administered under a separate framework.

Ethics in CAF.

Environmental Sustainability

Environmental sustainability at CAF is focused on optimizing its internal operations through the adoption of sustainable practices, in line with its institutional commitment to reduce environmental impacts, promote operational efficiency, and foster the responsible use of resources. This approach is integrated across internal processes, strengthening the systematic incorporation of environmental criteria into institutional management.

In 2025, CAF continued to make progress in implementing the environmental pillar of its corporate sustainability strategy. This strategy is structured around five action areas: sustainable logistics and administrative services, sustainable events, sustainable infrastructure, *Green IT*, and internal environmental management. These areas are developed progressively and in a coordinated manner, and are complemented by two cross-cutting components: change management and measurement and reporting, aimed at consolidating an organizational culture of sustainability and strengthening the monitoring of environmental performance.

Sustainable Logistics and Administrative Services

This area promotes the incorporation of environmental, social, and governance (ESG) criteria into logistics and administrative processes, including the procurement of goods and the contracting of services, with the aim of fostering responsible practices throughout the value chain.

Sustainable Infrastructure

CAF made progress in integrating sustainability criteria into the planning, design, execution, maintenance, and adaptation of its physical infrastructure. This approach contributes to improving resource efficiency, reducing environmental impacts, and promoting adequate conditions for ergonomics, safety, and well-being.

Internal Environmental Management

This pillar encompasses the implementation of practices and procedures aimed at preventing, mitigating, and controlling environmental impacts resulting from institutional operations. Within this framework, CAF continued to manage its environmental management system in accordance with ISO 14001, strengthening operational control, risk prevention, and the continuous improvement of environmental performance.

Sustainable Events

This pillar seeks to integrate sustainability criteria into the planning and execution of institutional events by evaluating the environmental performance of the events and the suppliers involved, promoting responsible practices and reducing impacts.

Green IT

The *Green IT* agenda focuses on incorporating practices that promote the efficient use of information and communication technologies. These actions help reduce the environmental footprint of the technological infrastructure and support the institution's modernization and digital transformation processes.

Sustainable Events

As part of its environmental sustainability strategy, in 2025 CAF implemented the sustainable events action area, aimed at incorporating sustainability criteria into the planning and execution of institutional events, as well as evaluating the environmental performance of suppliers and the events held.

In this context, the following tools were developed:

A methodology for assessing the sustainability level of events, accompanied by an implementation guide, which classifies events into three levels:

excellence in sustainability,
commitment to sustainability,
and introduction to sustainability.

An evaluation framework for service providers, classifying them into three categories:

leader in sustainability,
evolving in sustainability,
and emerging in sustainability.

Key Results

Assessment of **12 institutional events**, including large-scale events, with the following results:

- **7 events** classified as having a level of excellence in sustainability.
- **5 events** classified as committed to sustainability.

Evaluation of **26 service providers** involved in event organization:

- **18 providers** rated as leaders in sustainability.
- **6 as evolving** in sustainability.
- **2 classified** as emerging in sustainability.

Measurement and offsetting of the carbon footprint of the 2025 International Economic Forum on Latin America and the Caribbean.

In the ninth edition of the CAF Caracas Marathon 2025, the “Evergreen” certification awarded by the *Council for Responsible Sport*—the highest level of recognition for sustainable events—was maintained, consolidating compliance with international environmental and social standards (CAF).

Challenges toward 2026

CAF will continue to strengthen this area by:

- The progressive expansion of sustainability assessments to a greater number of events and suppliers, with an emphasis on large-scale events.
- Promoting sustainable practices in the organization of institutional events.
- Internal dissemination of the guide and the sustainable event assessment dashboard.
- Developing awareness-raising materials, including audiovisual content and training sessions for suppliers.



Sustainable Logistics and Administrative Services

GRI 204-1; 308-1; 308-2; 414-1; 414-2

CAF promotes a responsible procurement approach as part of the internal management of its operations, integrating environmental, social, and governance (ESG) criteria into the procurement of goods and services. This approach helps strengthen internal capacities and promote sustainable practices in the supplier market.

In 2025, significant progress was made in incorporating sustainability criteria into procurement processes. As of the end of December, 46 % of goods procurements met at least one sustainability criterion, compared to 38.8 % in 2024. Additionally, between 2024 and 2025, more than 179 staff members participated in training on sustainable procurement and contracting, strengthening the integration of these criteria into institutional management.

In terms of market development and supplier relations, CAF supported more than 30 artisans and entrepreneurs in the region and organized the first regional workshop for suppliers, which brought together more than 110 participants from 18 countries. As part of its transparency strategy, the public website for sustainable procurement and contracting recorded more than 386 views during the year.

In the area of operational efficiency, CAF implemented measures to reduce resource consumption. In 2025, there was a 68.38 % decrease in the printing of business cards compared to 2024, through the adoption of digital cards (vCard with QR code). Additionally, a guide to sustainable printing was developed. In logistics, 16 CAF offices joined the DHL GoGreen program, aimed at promoting operations with a lower environmental impact, including the use of sustainable aviation fuel (SAF).

CAF continued to promote initiatives that strengthen environmental awareness and civic engagement, such as the CAF Green Marathon, which combines sports, environmental education, and climate action, in line with the institution's mission to promote sustainable and inclusive development models.

Regarding supplier management, CAF defines local suppliers as individuals or legal entities that provide goods or services within the same geographic market where the institution operates, with the aim of strengthening local economies and promoting efficient management. In 2025, CAF had a total of 1,407 suppliers, of which 276 provided goods and 1,131 provided services and consulting. Of the total, 88 % of goods suppliers and 84 % of service and consulting suppliers were local.

The volume of procurement reached USD 25.4 million for goods and USD 101.03 million for services and consulting. Additionally, there were 829 orders for goods, 2,174 contracts, and 2,039 supplier registration requests.

Table 7.15
Trends in Contracted Supplier

Assets	2021	2022	2023	2024	2025
Services and consulting	155	202	305	291	276
Total	665	790	912	1,204	1,131
Total	820	992	1,217	1,495	**1,407**

Table 7.16
Local Suppliers

Type	2021	2022	2023	2024	2025
Property	122	165	247	250	244
Services and consulting	551	695	775	1,035	947
Total	673	860	1,022	1,285	**1,191**

Regarding supplier perception, a satisfaction survey was conducted in 2025 targeting suppliers of goods, services, and construction work. A total of 319 responses were received from 1,076 invited suppliers (29.6 % response rate), with a satisfaction level of 98.59 %. Additionally, a module on sustainability was included, in which 47.96 % of the suppliers who responded indicated that they implement at least one sustainable practice.

Figure 7.17
Type of sustainability



Note: A supplier may select one or more sustainability criteria

Challenges Toward 2026

Looking ahead to 2026, CAF plans to strengthen regulations on sustainable procurement and contracting, expand the application of sustainability criteria to new categories of goods and services, and continue promoting the participation of entrepreneurs and SMEs from the region in its contracting processes.

Likewise, progress is expected in the certification of the CAF 2026 Green Marathon and in the evaluation of legal aspects to ensure the effective incorporation of sustainability criteria into contracts with suppliers.

Sustainable Infrastructure

Within the framework of internal environmental sustainability, the sustainable infrastructure pillar promotes the design, construction, operation, and maintenance of CAF's physical infrastructure under a sustainable, healthy, and eco-efficient approach, generating value for employees, the business, and the environment.

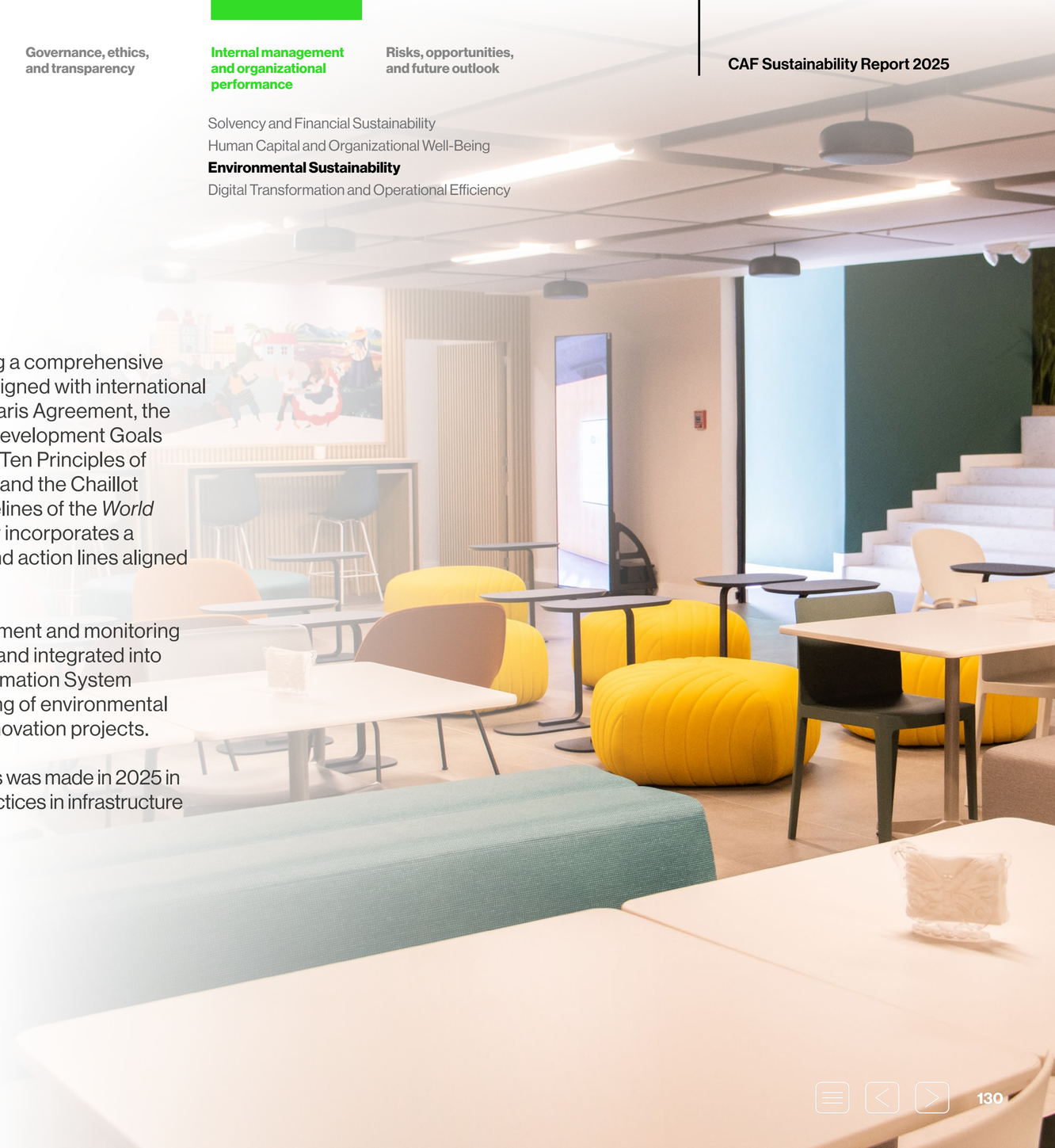
The initiatives developed are organized around the main areas of institutional infrastructure management, which include:

- Project administration and management
- Project and infrastructure development
- Facility and operations maintenance
- Industrial safety, infrastructure management, and sustainability

In 2025, the focus was on developing a comprehensive sustainable infrastructure strategy aligned with international reference frameworks such as the Paris Agreement, the 2030 Agenda and the Sustainable Development Goals (SDGs), the New Urban Agenda, the Ten Principles of the United Nations Global Compact, and the Chaillot Declaration, as well as with the guidelines of the *World Green Building Council*. This strategy incorporates a strategic roadmap with objectives and action lines aligned with these global frameworks.

Additionally, a sustainability management and monitoring tool for infrastructure was designed and integrated into the Infrastructure Management Information System (IMIS), enabling systematic monitoring of environmental performance in construction and renovation projects.

In terms of results, significant progress was made in 2025 in the implementation of sustainable practices in infrastructure projects:



Waste management and the circular economy

927 tons of materials reused, recycled, or donated in infrastructure projects.

Construction projects

Panama North Hub Building:

20,955 tCO_2eq cumulative carbon footprint from new construction (period: June 2023 – June 2025).

6,457 tCO_2eq carbon footprint from the construction of the new building (period: January 2025 – June 2025).

90 % of recyclable waste diverted from landfills.

This project incorporates sustainability criteria such as energy efficiency, rainwater harvesting, and international environmental certification, aligned with standards such as LEED (CAF).

Renovation project

Office in Argentina:

0.77 ton reused.

1.03 tons recycled.

6.18 tCO_2e avoided through waste management.

Venezuela (elevator modernization):

7.8 tons of recycled iron.

On-site power generation

10 % at the Bolivia office.

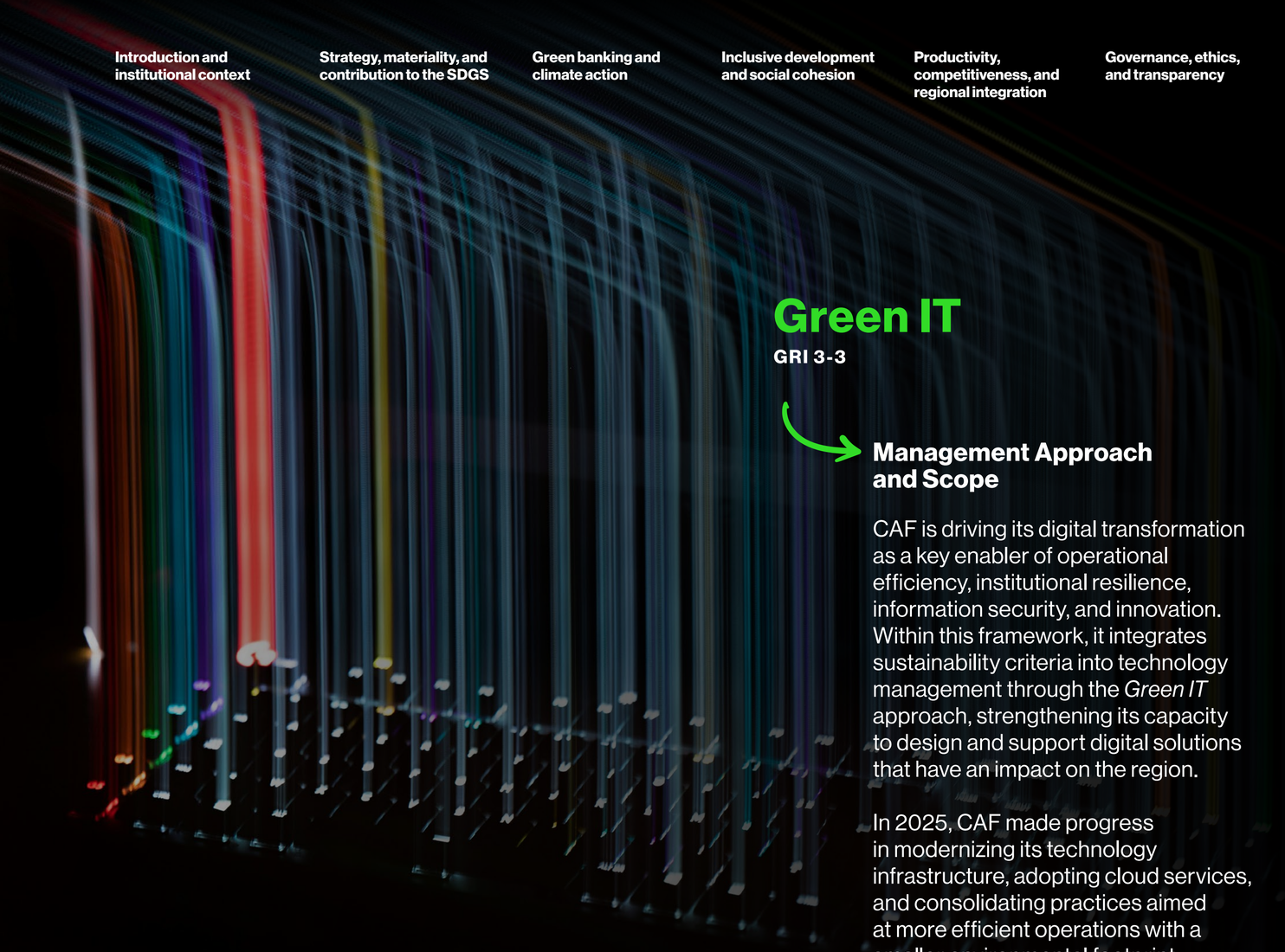
5 % at the Uruguay office.

Challenges for 2026

Looking ahead to 2026, CAF prioritizes the consolidation and implementation of its sustainable infrastructure strategy, with an emphasis on:

- The systematic incorporation of sustainability criteria into ongoing projects, including initiatives such as the Panama North Hub and the CAF El Salvador building.
- Strengthening industrial safety management and emergency preparedness through the implementation of the corresponding work plan.
- The continuous training of staff through institutional programs such as “Safety and Contingency” and “ Office Ergonomics.”





Green IT

GRI 3-3

Management Approach and Scope

CAF is driving its digital transformation as a key enabler of operational efficiency, institutional resilience, information security, and innovation. Within this framework, it integrates sustainability criteria into technology management through the *Green IT* approach, strengthening its capacity to design and support digital solutions that have an impact on the region.

In 2025, CAF made progress in modernizing its technology infrastructure, adopting cloud services, and consolidating practices aimed at more efficient operations with a smaller environmental footprint.

Green IT and Cloud Migration

As part of the Digital Transformation Plan, CAF completed the project to migrate production services to the cloud, which began in March 2024.

From an environmental perspective, this migration allowed for the shutdown of in-house data centers and the decommissioning of 101 servers, equivalent to an estimated reduction of 96.4 tons of CO_2 annually. Additionally, it is estimated that the migration associated with the Panama data center will generate additional savings of approximately 108 tons of CO_2 annually starting in 2026.

The retired hardware was managed according to sustainability criteria, prioritizing reuse and recycling in line with best environmental practices.

Challenges and Priorities Toward 2026

Looking ahead to 2026, CAF anticipates transitioning to a new phase of the *Green IT* program following the completion of its first stage (2022–2026). Key priorities include:

- Achieving an estimated cumulative reduction of 1,018 tons of CO_2 (tCO_2e), in line with the program's goals.
- Evolving from cloud-based architectures to cloud-native architectures, incorporating data management and artificial intelligence capabilities.
- Strengthening guidelines for the responsible use of digital technologies, in order to mitigate potential environmental impacts associated with their implementation.

Internal Environmental Management

GRI 302; 305; 306

Throughout 2025, CAF strengthened its internal environmental management as part of its commitment to sustainability, operational consistency, and the continuous improvement of its institutional performance. This approach encompasses the management of its operations, facilities, and administrative processes, in alignment with international standards and corporate best practices.

Internal environmental management is structured around the principles of efficient resource use, prevention of environmental impacts, regulatory compliance, and progressive capacity building. These principles are implemented through the Institutional Environmental Management System (IEMS), developed in accordance with ISO 14001:2015, which establishes guidelines, responsibilities, and processes for identifying, controlling, and improving environmental performance in the Institution's administrative operations.

Energy Consumption Management and Efficient Use of Resources

GRI 302-1, 302-2, 302-3, 302-4

CAF managed its energy consumption with an emphasis on resource efficiency at its administrative sites, including offices, technological infrastructure, HVAC systems, and equipment.

The institution maintains operational records of electricity consumption at its main facilities, as well as information on the use of liquid fuels associated with operational activities and institutional mobility. These data enable the monitoring of consumption trends and support decision-making aimed at improving energy efficiency.

Electricity:
4,591,933.15 kWh

Diésel:
11,383.78 liters

- **Transportation:** 9,782.22 liters
- **Corporate:** 1,601.56 liters

Natural gas: :
34,413.65 m^3

Gasoline:
26,634.77 liters





Emissions Management and Operational Carbon Footprint

GRI 305-1, 305-2, 305-3, 305-4, 305-5

CAF's corporate carbon footprint is primarily concentrated on indirect emissions associated with energy consumption at its offices and institutional mobility, including business travel.

In 2025, CAF strengthened the methodological framework for managing its carbon footprint and defining pathways to carbon neutrality, aligning its processes with international standards such as ISO 14064-1, the *GHG Protocol*, and ISO 14068-1. This framework includes the identification, quantification, and analysis of Scope 1, 2, and 3 emissions, using internationally verifiable emission factors and methodologies.

In line with its commitment to environmental sustainability and climate action, CAF annually offsets its corporate carbon footprint through the purchase of carbon credits. This process is governed by a procedure aligned with ISO 14068-1, which ensures that the offset reductions are real, additional, quantifiable, and permanent. During the first half of 2025, the offsetting of emissions generated in 2024 was completed.

CARBON FOOTPRINT ESTIMATE YEAR 2025

2025	Scope 1		Scope 2		Scope 3	
Carbon footprint* (tons of CO_2e)	tons of CO_2e	%	tons of CO_2e	%	tons of CO_2e	%
13,675.43	**607.53**	**4.44 %**	**805.604**	**5.89 %**	**12,262.26**	**89.67 %**

CARBON FOOTPRINT ESTIMATE YEAR 2024

2024	Scope 1		Scope 2		Scope 3	
Carbon footprint* (tons of CO_2e)	tons of CO_2e	%	tons of CO_2e	%	tons of CO_2e	%
15,812.53	134.11	0.85 %	1,217.82	7.70 %	14,460.60	91.45 %



* The GHGs considered for the carbon footprint calculation were CO_2, CH_4, and N_2O.

** As a result of a methodological update, 2025 was established as the new base year for the GHG inventory. The scope of the inventory was expanded to incorporate new emission sources associated with the use of refrigerant gases, fire extinguishers, and remote work. Taken together, these adjustments provide a more robust, comprehensive, and representative inventory of the organization's emissions.

Emissions Offsetting

CAF selects certified offset projects that comply with international standards and contribute to the SDGs. The carbon credits acquired in 2024 came from:



- Sustainable forest management project (Tropical Mix) in Panama (vintage 2022), certified under the *Gold Standard.*
- Mangrove restoration project in Mexico (vintages 2020 and 2021), certified by the *Climate Action Reserve (CAR).*
- Wind farm in El Salvador (vintage 2023), certified under the *Verified Carbon Standard (VCS).*
- Afforestation project in Paraguay (vintage 2022), certified under VCS.

Waste Management and Circular Economy Approach

GRI 306-1, 306-2, 306-3, 306-4, 306-5

Waste management at CAF is carried out within the framework of its administrative operations, prioritizing source separation, proper disposal, and compliance with local regulations at each location. This management is coordinated with suppliers and authorized waste management companies.

In 2025, CAF continued to promote responsible waste management, with an emphasis on non-hazardous waste generated by office and maintenance activities. It also implemented measures aimed at reducing waste generation, promoting the efficient use of supplies, and recovering materials.

The institution progressively strengthened the processes for collecting and systematizing waste data, expanding their implementation to new offices to improve traceability. This approach is part of a continuous improvement strategy aimed at enhancing the quality of reporting and internal environmental management.

In 2025, a total of

9,795.83 kg

Environmental Awareness Activities

CAF promoted environmental awareness initiatives aimed at its staff and their families, strengthening the institution's commitment to biodiversity, climate action, and environmental education.

Among the main initiatives are:

- Community eco-mural at Canaima School (Caracas), in partnership with the NGO Trazando Espacios.
- *Upcycling* workshop in Caracas, using materials recovered from the CAF 2025 Marathon, in partnership with Proyectos MAF.
- "Sembrando Futuro" reforestation day at Antisana National Park (Quito), in collaboration with the Scouts Foundation.

Additionally, electronic waste recycling drives were held at headquarters and in the country offices in Bolivia and Uruguay, resulting in the collection of 441.7 kg of electronic waste and 126.5 kg of donated clothing.

Through the "+ Recycling + Environment" campaign, recycling was promoted in employees' homes, resulting in a total collection of 1,004 kg of recyclable materials during the period.

Digital Transformation and Operational Efficiency



Digital Transformation

CAF promotes digital transformation as a key enabler of operational efficiency, institutional resilience, and innovation, strengthening its capabilities to manage technology services in an agile, secure, and sustainable manner.

Operational Resilience, Continuity, and Telecommunications

In 2025, the modernization of the technological infrastructure improved the agility and reliability of services. Key advancements include the ability to recover from disasters in less than four hours, as well as the capability to adjust resources in real time, thereby strengthening operational continuity.

In the area of telecommunications, the adoption of updated technological standards and the implementation of backup and contingency plans ensured high levels of interconnectivity availability. These improvements facilitated the integration of new cloud services with country offices, strengthening the institution's distributed operations.

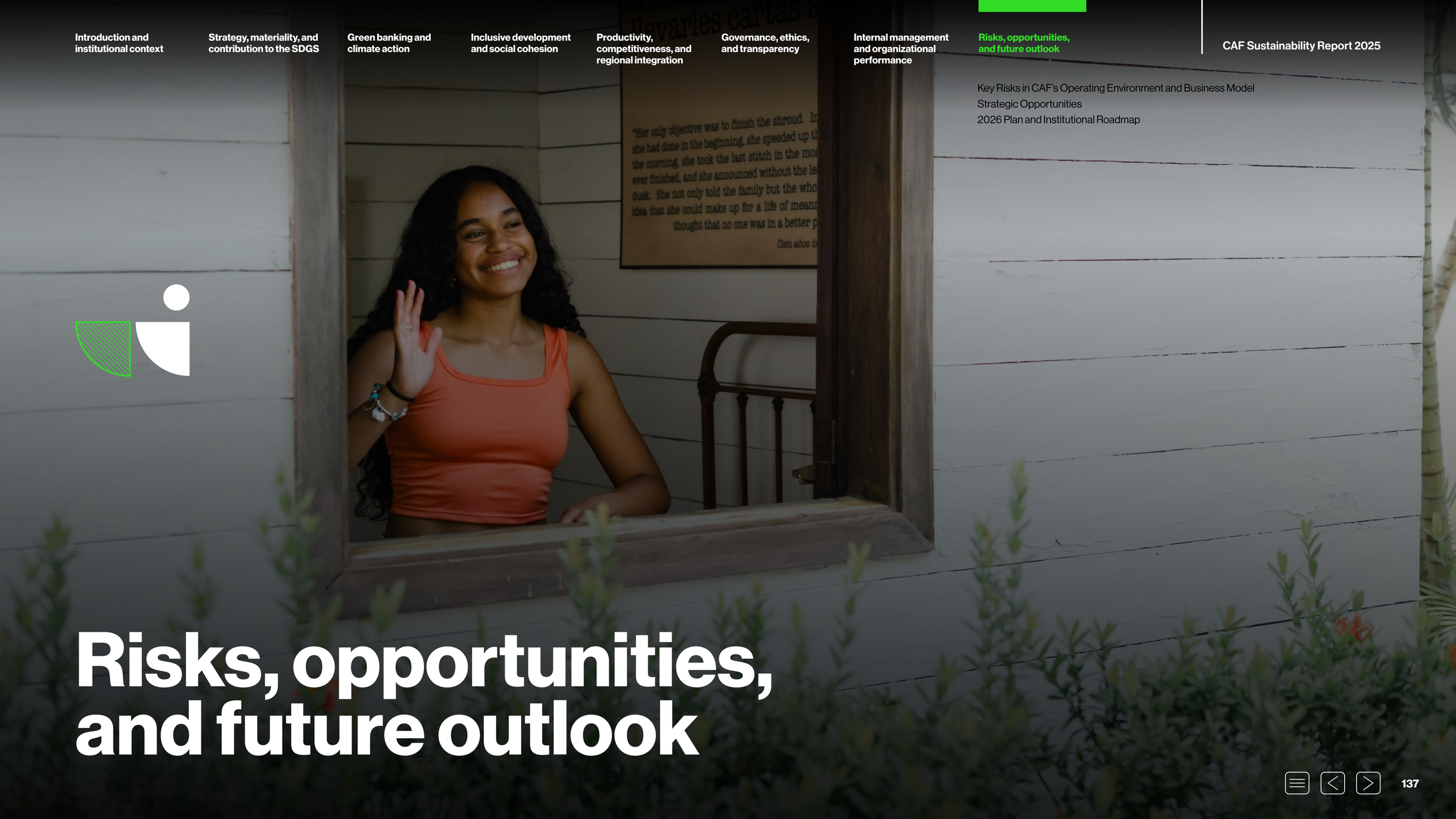
Information Security and Technology Architecture

In 2025, CAF implemented a modern technology architecture based on the *Zero Trust* model, aimed at strengthening the protection of data and services in an increasingly demanding digital environment. The completion of this process marked the beginning of a post-cloud migration phase, which involved the evolution of roles and responsibilities, as well as the development of training programs to strengthen staff capabilities in the face of new technological challenges.

Challenges and Priorities for 2026

Looking ahead to 2026, CAF plans to incorporate *FinOps* and *GreenOps* practices starting from the design and technology architecture phases, as well as in the monitoring of implemented services. These actions aim to strengthen the financial and environmental management of technology projects, promoting a more efficient and sustainable use of digital resources.

Key Risks in CAF's Operating Environment and Business Model
Strategic Opportunities
2026 Plan and Institutional Roadmap



Risks, opportunities, and future outlook

Key Risks in CAF's Operating Environment and Business Model

GRI 3-3

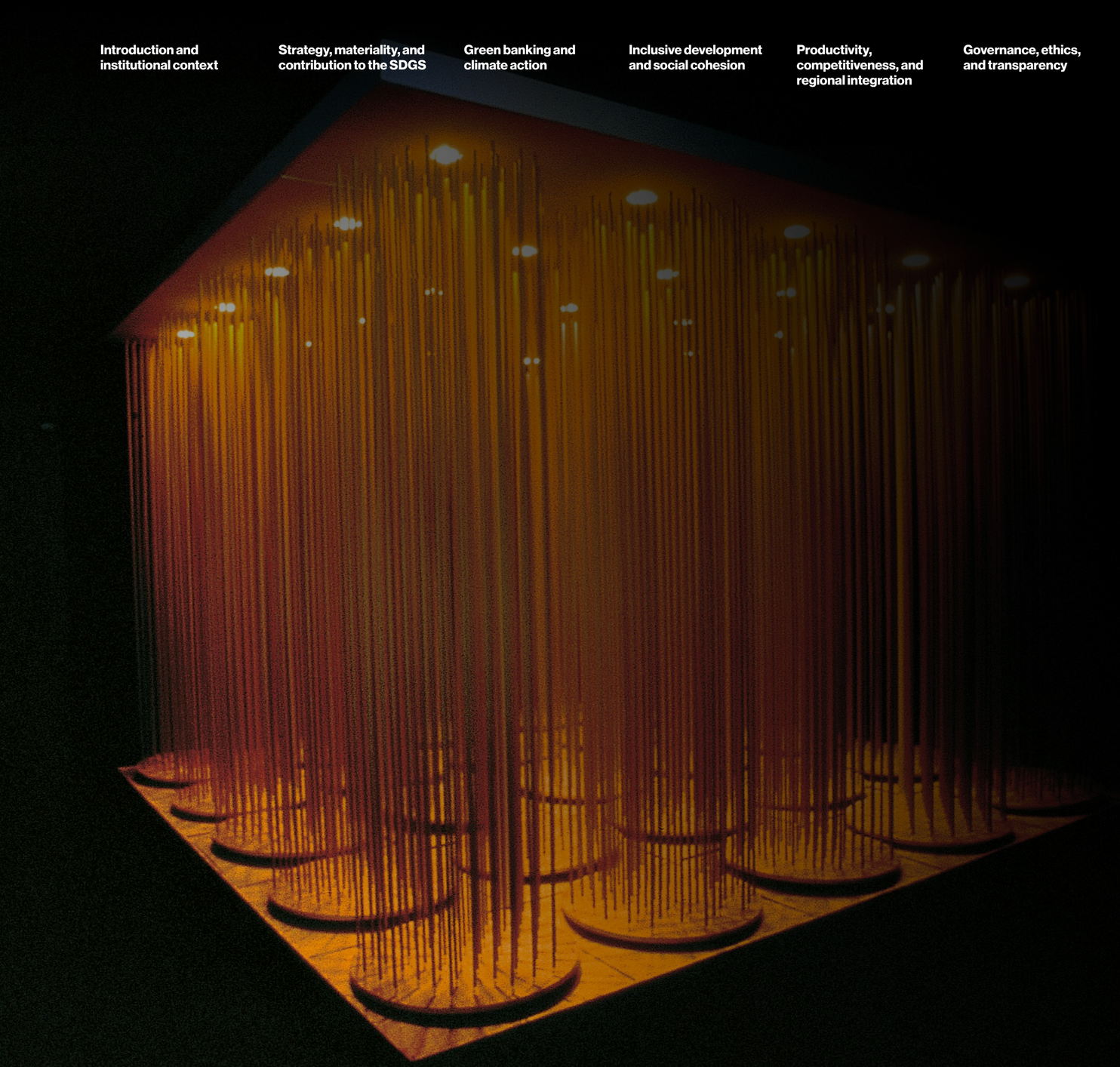
The regional and international context in which CAF operates continues to be characterized by high volatility and the convergence of multiple interrelated risk factors. Persistent geopolitical tensions, the global economic slowdown, the cumulative effects of climate change, and widening social and territorial gaps create a complex environment that directly impacts development dynamics in Latin America and the Caribbean.

In this scenario, the identification, assessment, and management of risks take on a strategic nature to ensure the continuity of the institutional mandate and the effectiveness of operations. The following are the main types of risk affecting CAF's operations:

Table 8.1

Main Risks and Their Impact

Risks associated with the macroeconomic and financial environment	Climate, environmental, and social risks	Risks associated with the institutional and operational model	Governance risks
These constitute a structural factor for the region. Exposure to adverse economic cycles, volatility in international capital markets, and fiscal constraints in several countries may limit public and private investment, as well as the demand for financing. Added to these factors are geopolitical and regulatory risks that affect the stability of financial flows and the predictability of regulatory frameworks.	These are emerging as cross-cutting factors that influence the environment and the execution of operations. The intensification of extreme weather events, ecosystem degradation, and increased social sensitivity to environmental impacts pose challenges for sustain-able investment planning. Proper integration of these risks is key to ensuring the viability and impact of projects.	These relate to portfolio management, counterparty assessment, the implementation of international sustainability standards, and the maintenance of adequate solvency levels. The growing complexity of CAF's role as a development bank entails greater demands on the management of financial, operational, and non-financial risks.	These are linked to the quality of decision-making, the effectiveness of control systems, and institutional integrity. Interaction with shareholder countries and strategic partners requires robust frameworks for internal control, auditing, and ethics, as well as clear accountability mechanisms.



Key Risks in CAF's Operating Environment and Business Model
Strategic Opportunities
2026 Plan and Institutional Roadmap

The convergence of these risks highlights the need to address them in an integrated manner, recognizing their interdependence and cumulative effects.

These dynamics require solid institutional capabilities, adaptive management frameworks, and a long-term strategic vision.

In response, CAF continues to strengthen its risk management systems, incorporating cross-cutting approaches that enable scenario planning, improve decision-making, and reinforce insti-tutional resilience. This approach not only helps mitigate the identified risks but also identifies strategic opportunities and guides institutional action toward sustainable, inclusive, and resilient development in the region.

Strategic Opportunities

CAF continuously identifies strategic opportunities to address development challenges in Latin America and the Caribbean, in line with its role as a development bank and its capacity to generate impact. These opportunities arise from the convergence of the priorities of member countries, global trends in sustainability, and CAF's institutional capabilities, and are underpinned by enablers consolidated during the 2021–2026 cycle, such as the expansion of the shareholder base to 24 countries, the strengthening of the credit profile, and a portfolio growth trajectory aligned with the goal of doubling by 2030.

Strengthening financing for the sustainable transition is a strategic priority, in response to the growing demand for investments in climate action, biodiversity protection, and the reduction of social vulnerabilities. These areas open opportunities to deepen the channeling of resources aligned with international sustainability frameworks. The integration of environmental and social considerations into the design of financial products helps to amplify the impact of operations and strengthen relationships with partners and markets.

This positioning is supported by verifiable results. In 2025, 44 % of approvals incorporated green financing, and cumulative green financing exceeded USD 22,000 million, with a projection to surpass USD 25,000 million. Likewise, CAF exceeded its blue economy commitment with USD 1,545 million approved and made progress on water security with USD 3,409 million toward the USD 4,000 million target. These advances are complemented by the strengthening of tools to integrate climate considerations and the progressive implementation of the methodology for alignment with the Paris Agreement.

Complementarily, the sustainable infrastructure and territorial development agenda represents a strategic opportunity to strengthen resilience and improve access to services. The need to close infrastructure gaps, improve the provision of basic services, and promote sustainable solutions opens up a significant opportunity to expand CAF's impact. This approach helps reduce territorial disparities and improve living conditions for the population, supported by strengthened collaboration with subnational governments and initiatives such as the BiodiverCiudades Network, which reached over 200 local governments and made progress toward institutionalization.

Resource mobilization and coordination with the private sector constitute another key pillar for expanding development financing capacity. In a context of fiscal constraints, the participation of private capital takes on greater relevance as a complement to public resources. CAF has the experience and tools to promote innovative financing schemes, public-private partnerships, and mechanisms that scale up investments. In 2025, CAF mobilized USD 8,473 million for the 2022–2025 period, of which USD 4,980 million came from private capital. This performance is complemented by the expansion of the network of financial partners, which reached 156 partners, and by the growth of the non-sovereign portfolio, which reached USD 5,171 million (13.2 % of the portfolio).

Strategic opportunities also include strengthening institutional capacities and generating knowledge. The promotion of cross-cutting agendas, such as inclusion, innovation, digital transformation, and regional cooperation, enables CAF to support countries through financing, technical assistance, and the exchange of best practices. In 2025, CAF made progress in consolidating Impacto CAF as an institutional framework to strengthen the measurement, management, and communication of development results, reinforcing traceability and accountability.

These pillars reflect a vision aimed at transforming challenges into strategic opportunities. The integration of financing, knowledge, partnerships, and internal capacities enables CAF to expand its contribution to sustainable development, underpinned by a foundation of financial soundness and operational efficiency, with an efficiency ratio ranging from 0.61 % to 0.66 %.

2026 Plan and Institutional Roadmap

Looking ahead to 2026, CAF envisions an agenda aimed at consolidating its role as the leading green bank and a benchmark for sustainable and inclusive growth in Latin America and the Caribbean, strengthening its capacity to respond to the region's structural challenges. This agenda is grounded in the cross-cutting integration of environmental, social, and governance considerations into the planning, execution, and monitoring of its operations.

The roadmap toward 2026 is conceived as a comprehensive framework, with metrics and continuous monitoring of progress, structured around mission-driven, cross-cutting, and enabling agendas.

In this context, CAF prioritizes strengthening non-sovereign financing, expanding its geographic coverage—especially in Central America and the Caribbean—and mobilizing third-party resources.

Building on the progress achieved, the 2026 roadmap prioritizes:

Raising the ambition of green financing and exceeding the USD 25,000 million target.

Fulfilling the water security commitment to reach USD 4,000 million and expanding the blue economy agenda.

Deepening the integration of climate considerations and the implementation of the Paris Agree-ment alignment methodology

Consolidating the expansion of non-sovereign financing, the mobilization of private capital, and the network of financial partners, along with geographic expansion, particularly in Central Amer-ica and the Caribbean.



As an enabling condition, CAF prioritizes strengthening its internal capabilities, including improving risk management systems, modernizing processes, strengthening governance, and fostering an organizational culture based on integrity, transparency, and accountability. Likewise, key enablers such as financial sustainability, talent management, digital transformation, and the development of innovative financial instruments are being consolidated.

Second, the emphasis remains on aligning mission-driven, cross-cutting, and enabling agendas, with the aim of maximizing the impact of financing and non-financial actions. This alignment allows resources to be directed toward priority sectors and territories and promotes comprehensive solutions through intervention packages that combine financing, technical cooperation, and knowledge.

CAF will continue to strengthen its role in mobilizing resources for sustainable development through innovative financial instruments, partnerships with the private sector, and cooperation with multilateral organizations. By 2026, CAF expects to maintain its mobilization performance, keeping the mobilization factor at least within the target range (0.5 to 2) and strengthening the methodology for its progressive alignment with international standards.

Planning for 2026 is grounded in a long-term vision focused on institutional resilience and the generation of sustainable value. The ability to anticipate trends, adapt to changing contexts, and maintain a balance between financial soundness and development impact will be key to fulfilling the institutional mandate.

This vision aligns with the commitments toward 2030, including doubling the portfolio and expanding geographically, reaffirming CAF's commitment to inclusive, sustainable, and resilient development in the region.



GRI Table

Standards	GRI Metric	Disclosure	Location / Direct Response
GRI 2: General disclosures	2-1	Organizational details	**Legal name [2-1a]:** Development Bank of Latin America and the Caribbean (CAF) **Ownership and legal form [2-1b]:** Multilateral financial institution **Location of headquarters [2-1c]:** Caracas, Venezuela **Countries of operation [2-1d]:** Antigua and Barbuda, Argentina, Bahamas, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Spain, Grenada, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, Portugal, Dominican Republic, Trinidad and Tobago, Uruguay, Venezuela."
	2-2	Entities included in the sustainability reporting	Not applicable to CAF, since all regions report to the same organization.
	2-3	Reporting period, frequency and contact point	Page 13
	2-4	Restatement of information	There were no restatements of information published in previous reports.
	2-5	External assurance	The Sustainability Report has not been subject to external assurance.
	2-6	Activities, value chain and other business relationships	Pages 21, 34
	2-7	Employees	Page 115
	2-8	Workers who are not employees	Page 115
	2-9	Governance structure and composition	Page 85
	2-10	Nomination and selection of the highest governance body	CAF has no influence over the appointment of directors or diversity criteria regarding their composition, knowledge, skills, or experience in sustainable development.
	2-11	Chair of the highest governance body	Page 86
	2-12	Role of the highest governance body in overseeing impact management	Page 86
	2-13	Delegation of responsibility for managing impacts	Page 87
	2-14	Role of the highest governance body in sustainability reporting	Page 88
	2-15	Conflicts of interest	Page 96
	2-16	Communication of critical concerns	Page 98
	2-17	Collective knowledge of the highest governance body	CAF has no influence over the appointment of directors or diversity criteria regarding their composition, knowledge, skills, or experience in sustainable development.
	2-18	Evaluation of the performance of the highest governance body	Not applicable – CAF does not conduct Board performance evaluations.
	2-19	Remuneration policies	None of the Board members receives remuneration from CAF for performing their duties. CAF executive remuneration policies are not disclosed for confidentiality and security reasons.
	2-20	Process to determine remuneration	None of the Board members receives remuneration from CAF for performing their duties. The process for determining executive remuneration is not disclosed for confidentiality and security reasons.
	2-21	Annual total compensation ratio	Not disclosed for confidentiality and security reasons.

Standards	GRI Metric	Disclosure	Location / Direct Response
GRI 2: General disclosures	2-22	Statement on sustainable development strategy	Page 5
	2-23	Policy commitments	CAF guides its responsible conduct through its Constitutive Agreement, Code of Ethics, Management Policies, and manuals for the prevention of prohibited practices and AML/CFT risk management, aligned with the UN Global Compact Principles. The Environmental and Social Management Framework (ESMF, 2025) reflects its commitments to human rights, gender equality, non-discrimination and climate action. The Office of Ethics, Integrity and Compliance (OEIC) supports implementation throughout the organization.
	2-24	Embedding policy commitments	CAF embeds its commitments through the mandatory “Integrity in Action” program, which achieved 95 % workforce participation (824 people) in 2025. For business partners, the Code of Ethics and integrity policies are published on the institutional website and incorporated through specific contractual clauses.
	2-25	Processes to remediate negative impacts	Pages 67, 106
	2-26	Mechanisms for seeking advice and raising concerns	Page 106
	2-27	Compliance with laws and regulations	In 2025, CAF recorded no significant non-compliance with laws or regulations, nor material sanctions or fines during the reporting period.
	2-28	Membership associations	Page 28
	2-29	Approach to stakeholder engagement	Pages 27, 28, 29
	2-30	Collective bargaining agreements	Not applicable – CAF does not have collective bargaining agreements with employees.
GRI 3: Material topics	3-1	Process to determine material topics	Page 19
	3-2	List of material topics	Page 20
	3-3	Management of material topics	Pages 24, 38, 41, 42, 46, 48, 53, 62, 67, 89, 100, 111, 114, 132, 138
GRI 101: Biodiversity	101-1	Policies to halt and reverse biodiversity loss	Page 53
GRI 101: Biodiversity	101-2	Management of biodiversity impacts	Page 54
GRI 203: Indirect economic impacts	203-2	Significant indirect economic impacts	Page 33
GRI 204: Procurement practices	204-1	Proportion of spending on local suppliers	Pages 34, 126
GRI 308: Supplier environmental assessment	308-1	New suppliers screened using environmental criteria	Page 126
	308-2	Negative environmental impacts in the supply chain and actions taken	Page 126

Standards	GRI Metric	Disclosure	Location / Direct Response
GRI 414: Supplier social assessment	414-1	New suppliers screened using social criteria	Page 126
	414-2	Negative social impacts in the supply chain and actions taken	Page 126
GRI 302: Energy	302-1	Energy consumption within the organization	Page 133
	302-2	Energy consumption outside the organization	Page 133
	302-3	Energy intensity	Page 133
	302-4	Reduction of energy consumption	Page 133
	302-5	Reductions in energy requirements of products and services	Page 133
GRI 305: Emissions	305-1	Direct GHG emissions (Scope 1)	Page 134
	305-2	Energy indirect GHG emissions (Scope 2)	Page 134
	305-3	Other indirect GHG emissions (Scope 3)	Page 134
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	Page 135
	306-2	Management of significant waste-related impacts	Page 135
	306-3	Waste generated	Page 135
GRI 401: Employment	401-1	New employee hires and employee turnover	Pages 116, 118
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 119
	401-3	Parental leave	Pages 119, 121

Standards	GRI Metric	Disclosure	Location / Direct Response
GRI 404: Training and education	404-1	Average hours of training per year per employee	Page 122
	404-2	Programs for upgrading employee skills	Page 122
	404-3	Percentage of employees receiving regular performance and career development reviews	Pages 122, 124
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	Page 124
	405-2	Ratio of basic salary and remuneration of women to men	Pages 119, 124
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Page 124
GRI 413: Local communities	413-1	Local communities, culture and sport	Page 72
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	Page 96
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	Page 97
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	Page 97
Organization-specific Indicators	DGR-1/SGCN	Three Lines of Defense Internal Control Model	Pages 92, 95

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CAF DEVELOPMENT BANK OF LATIN AMERICA AND THE CARIBBEAN

Latin America and the Caribbean