

ETHICAL CONDUCT CODE		Page 1 of 13	
Code: DH-01 Date of approval: August 2015 Effective date: October 2016	Scope: All Avina Prepared by: Human Development Approved by: CEO		

INDEX

1.	PRESENTATION.....	1
2.	AVINA’S ETHICAL PRINCIPLES	2
3.	VALUES	2
3.1.	Respect	2
3.2.	Honesty.....	3
3.3.	Responsibility	3
3.4.	Solidarity.....	3
3.5.	Modesty.....	4
4.	ETHICAL CONDUCT OBLIGATIONS	4
4.1.	In institutional governance	4
4.2.	In relations with staff	5
4.3.	Avina expects its staff to	6
4.4.	Regarding suppliers, external consultants and interns.....	9
4.5.	Regarding allies, investors and co-investors.....	10
4.6.	Regarding relations with society and the government.....	11
4.7.	Regarding relations with the environment:.....	11
5.	Implementation Protocol for the Code of Ethics.....	12

1. PRESENTATION

This Ethical Conduct Code seeks to translate the principles and ethical stance that govern Avina, providing its different stakeholders with a transparent understanding of the values, which guide institutional discourse and daily practices.

It is an instrument, which guides and inspires Avina’s attitude, behavior and decision-making, revealing how we build, perceive and define our institutional identity.

ETHICAL CONDUCT CODE		Page 2 of 13	
Code: DH-01 Date of approval: August 2015 Effective date: October 2016	Scope: All Avina Prepared by: Human Development Approved by: CEO		

The commitment of everyone is thus expected in putting the principles and ethical values that guide our institution into practice, as is collaboration with regard to suggestions for improving and strengthening this tool.

Non-compliance with the principles and specific dispositions of this Ethical Conduct Code will result in a series of measures that will enable such conduct to be avoided, addressed and potentially sanctioned.

2. AVINA’S ETHICAL PRINCIPLES

- The full realization of the human being, in a context of individual, social, and environmental harmony, as the central focus of sustainable development.
- Wealth creation as a strategy for an active life of peace: wealth understood as the range of goods, services, environments, values, relations and transactions that make it possible for men and women in a society or community to live in dignity and to care for and protect the assets of the planet's ecosystems.
- Human dignity expressed as the exercise of democracy, equity of opportunities, freedom with responsibility, honesty, and solidarity.
- Modesty that should guide our actions, celebrating the contribution of others in the collective construction of a better world for each and every one of us.
- Continuous innovation that supports the effectiveness, efficiency and productivity of our actions.

3. VALUES

There are five values and principles that inspire the behavior of those who are part of Avina and that guide all interactions:

3.1. Respect

We understand respect as “acceptance of others as legitimate”. We accept that others feel, think and act in a manner that is different from our own and that is legitimate. The respect that we propose as a basic predisposition in all of our relationships generates trust, freedom, responsibility and awareness.

ETHICAL CONDUCT CODE		Page 3 of 13	
Code: DH-01 Date of approval: August 2015 Effective date: October 2016	Scope: All Avina Prepared by: Human Development Approved by: CEO		

3.2. Honesty

We believe that relationships among people should take place within a framework of honesty and integrity, so that every person can trust in the veracity of what is heard and the authenticity of actions taken. We commit to:

- Honor the value of sincerity at all times, even when personal interests are at stake.
- Show congruency between what we think, say and do.
- Guarantee transparency in our actions and only promise that which we can fulfill, both at the personal and institutional levels.
- Maintain open, efficient, clear and timely communications that demonstrate courtesy and sensitivity and do not manipulate the decisions of others.

3.3. Responsibility

We show perseverance and are fully dedicated to Avina’s causes and principles, and we reinforce this commitment with all of the entities and allies with whom we work, contributing to a culture of peace from a perspective of constructive transformation of conflicts.

In order to continuously increase the effectiveness of our capacities, systems and processes in order to achieve our objectives, we seek to:

- Comply with commitments made through our actions, decisions and obligations, demonstrating quality and punctuality, both internally as well as and with our allies and investors.
- Assume the responsibilities and consequences of our actions.
- Honor the concept of accountability based on social responsibility, imputability and obligations.

3.4. Solidarity

*“We already know that solidarity is a rather boring virtue.
It hasn’t received good press, and is neither ghoulish nor glamorous.
But it is a virtue that needs a huge dose of imagination.*

And without imagination, without the ability to put ourselves in other people’s shoes, it is impossible to be a full member of society.”

Marianne Ponsford

ETHICAL CONDUCT CODE		Page 4 of 13	
Code: DH-01 Date of approval: August 2015 Effective date: October 2016	Scope: All Avina Prepared by: Human Development Approved by: CEO		

We are convinced that it is possible to improve the world in which we live, and thus we address situations of injustice and inequity, committing ourselves to:

- Manifest our solidarity towards the needs and causes of other people, showing our interest in and collaborating with other initiatives as much as possible.
- Promote actions that help to satisfy the basic needs of disadvantaged people so they may live in dignity.
- Not abuse authority or power in accordance with the hierarchical position or resources managed by Avina.

3.5. Modesty

Modesty must guide our actions, encouraging us to celebrate the contributions of others in the process of building together a better world for each and every person. We commit to:

- Remain aware that we must use resources in a rational and efficient manner so as to avoid waste, as we believe that which affects nature impacts the lives of people.
- Objectively seek a balance between that which is ideal and that which is feasible, and thus be in a position to guide our actions and obtain results; respecting different points of view and ways of living and, at the same time, recognizing and celebrating the contributions other people make in building a better world.

4. ETHICAL CONDUCT OBLIGATIONS

In seeking to translate those principles and values by which we abide and which support Avina's decisions and conduct on a day-to-day basis, Avina establishes the following ethical conduct obligations and responsibilities:

4.1. In institutional governance

- Ensure an open, transparent and frank dialogue with the Board of Directors, committing ourselves to implementing approved guidance.
- Communicate to the whole organization the different roles of Avina staff, and respect each

ETHICAL CONDUCT CODE		Page 5 of 13	
Code: DH-01 Date of approval: August 2015 Effective date: October 2016	Scope: All Avina Prepared by: Human Development Approved by: CEO		

decision taken legitimately.

- Value teamwork, respecting each person as legitimate, autonomous and having a valid perspective.
- Create teams and working groups using as criteria the technical competency and added value to be contributed by each participant, and his or her desire and availability to participate in the processes to be undertaken.
- Promote, whenever possible, plurality in the formation of groups, represented by different functions, ages, genders and regions.
- Exercise the guiding principle of consensus building that recognizes the importance of considering multiple perspectives as well as the need to reconcile interests.
- Guarantee transparent and continuous answerability, publicly specifying decision-making criteria as well as the actions and resources applied in promoting sustainable development.
- Create an open communications channel between the executive team and the rest of the organization, providing every member of staff with direct access when needed to present concerns or suggestions for Avina's improvement.

4.2. In relations with staff

- Establish relations based on respect and on the principles of human rights with all staff members, independently of their positions or responsibilities.
- Value diversity and combat any form of prejudice, discrimination and violence, be it of a physical, verbal, psychological or sexual nature.
- Promote working conditions that encourage a balance between professional, personal and family life of all staff members.
- Promote equal opportunities for all staff members through policies, practices and procedures, guaranteeing merit and the capacity and quality of contributions and demonstrated skills as the criteria for internal promotion. Communicate in a clear and transparent manner the criteria that

ETHICAL CONDUCT CODE		Page 6 of 13	
Code: DH-01 Date of approval: August 2015 Effective date: October 2016	Scope: All Avina Prepared by: Human Development Approved by: CEO		

support institutional decisions affecting staff.

- Monitor the organizational climate, guaranteeing confidentiality among staff and using results to define actions at the local and institutional levels.
- Value internal human capital, providing channels, policies and procedures that promote professional growth and development.
- Create opportunities for listening to the concerns of staff members, respecting privacy and confidentiality, and without exposing or jeopardizing the credibility of staff involved.
- Recognize the contribution of each individual within the organization.
- Respect the social and cultural codes of the geographies in which Avina operates.
- Develop an institutional culture that values leadership building, knowledge exchange and dissemination and which promotes the ongoing learning of its staff.

4.3. Avina expects its staff to

- Promote relations, both internally and externally, that are friendly and marked by solidarity and respectfulness, independent of hierarchical position.
- Know and apply all policies approved and published by Avina.
- Manage the organization's financial resources with honesty, austerity and transparency, respecting existing internal procedures.
- Guarantee the secrecy of confidential information and discretion in institutional affairs.
- Respect diversity and refuse to exercise or accept any form of prejudice, discrimination or violence.
- Cooperate in the fulfillment of Avina's mission, offering suggestions, participating in opportunities for collective construction, legitimizing the contribution of third parties, practicing constructive criticism and transparent dialogue.

ETHICAL CONDUCT CODE		Page 7 of 13	
Code: DH-01 Date of approval: August 2015 Effective date: October 2016	Scope: All Avina Prepared by: Human Development Approved by: CEO		

- Report sentimental relations between a supervisor or manager and his or her immediate staff member to Avina’s Human Development department for the transfer of responsibilities to avoid conflicts of interest.
- Promote the integrity and image of Avina, respecting institutional guidelines regarding how to engage with different audiences and provide information to the media or any interested member of the public.
- Follow institutional proceedings with regard to committing Avina institutionally to external entities, including alliances, relations with the private sector, in requesting donations, procuring services and drafting agreements, respecting limits of authority.
- Keep the workplace free from drugs, illicit substances and their effects.
- Proactively identify any means to minimize environmental impact in the workplace.
- Respect Avina’s intellectual property.
- Manage Avina’s financial resources or those originating from investments with total transparency and responsibility, without waste or an application or use different from that for which they were originally intended.
- Establish solid and transparent internal and external relations without offering or demanding advantages or bribes for the function carried out.
- Fully protect Avina’s institutional interests when allocating resources and not invest institutional resources in businesses in which the staff member is a personal investor or partner.
- Not hire family members as Avina consultants or service providers. Family members, whether by blood relationship (parents, children, siblings, cousins, aunts/uncles or nieces/nephews) or by marriage (stepfather, stepmother, daughter- or son-in-law, sister- or brother-in-law, father- or mother-in-law), be hired as Avina consultants or service providers, whether temporarily, directly or indirectly.
- Be clear that if a family member of an Avina employee works as an employee of an Avina ally, an grant by Avina cannot assume the salary costs of that person.

ETHICAL CONDUCT CODE		Page 8 of 13	
Code: DH-01 Date of approval: August 2015 Effective date: October 2016	Scope: All Avina Prepared by: Human Development Approved by: CEO		

- Involve the Ethics Committee in the analysis and decisions in cases in which a family member of an Avina employee is a point of reference and/or expert in any agenda or institutional area, and Avina is unable to find another professional to carry out the consultancy. If the Ethics Committee opts for the hiring of that person, the relationship with this professional shall be assumed by an employee member that has no family relationship with the consultant or hierarchical relationship with the staff member.
- Inform the Ethics Committee of all those situations, which involve the direct or indirect participation of a family member in activities in which Avina is also present.
- Avina believes that its main asset is the contribution made by its human capital to organizations committed to social transformation and values the collaboration its staff makes to institutions that are allies in our cause. In seeking to devise guidelines to help avoid possible interpretations of conflicts of interest in the roles played by staff, Avina declares:
 1. It expects optimal and responsible performance on the part of its staff, guaranteeing compatibility between functions carried out within Avina and possible activities carried out in other areas outside the organization.
 2. That it expects the exclusive dedication of its staff, except in the following cases:
 - a. Remunerated work, outside office hours, in the academic field or in activities not associated with Avina’s institutional agenda. (Prior communication with the Ethics Committee is requested.)
 - b. Staff who work with Avina for less than 40 hours a week. In these cases, staff are free to carry out other remunerated activities for third parties outside Avina working hours.
 3. Understand and assume any activity on the part of staff related to Avina’s institutional work as part of their job, such as participation in events as speakers, as experts in providing analyses in the selection of projects or as candidates for prizes or scholarships, in proving technical assessments, being part of committees, boards of directors or other similar activities.
 4. That its staff members refuse to accept financial compensation for their invitation to participate in events, or that they donate such financial compensation to Fundación Avina (FA) or Avina Americas (AA). In the first place, the member of staff shall refrain from accepting financial compensation or, when preferred for administrative or legal reasons, the

ETHICAL CONDUCT CODE		Page 9 of 13	
Code: DH-01 Date of approval: August 2015 Effective date: October 2016	Scope: All Avina Prepared by: Human Development Approved by: CEO		

staff member shall donate the compensation to Fundación Avina (FA) or to Avina Americas (AA). (AA staff shall always donate any financial compensation received to Avina Americas.)

5. That, when a donation to FA or AA is not applicable for administrative reasons, the donation be made to a local institution. In such cases, the donation made shall be registered. Likewise, when a member of Avina staff refuses the extra compensation and decides to donate his or her time or resources to the inviting organization, such a donation shall be registered as an Avina contribution or matching funds.
6. For any type of donation such as those previously cited, staff shall communicate with the Finance Department so that the Financial Director, through her team, can indicate the legal entity and procedures to be followed in the case of a donation and can inform the corresponding supervisor.
7. That no consultancies or any remunerated activity be carried out by third parties with organizations linked to Avina’s institutional agendas, even when these are carried out during vacation periods, compensation leave or free time, so as to avoid possible interpretations of “conflict of interest”.
8. Always consult the Ethics Committee when in doubt regarding interpretation and prior to accepting an invitation or activity that involves compensation.

4.4. Regarding suppliers, external consultants and interns

- Provide employees of service providing companies, external consultants and interns the same conditions regarding infrastructure and safety when they carry out their functions on Avina premises as those given to staff.
- Interns and external consultants are expected to adhere to the codes of conduct defined in this Code for the duration of their contracts with Avina.
- Select and hire suppliers of goods and services on the basis of criteria that are strictly legal and technically based regarding quality, costs, and punctuality, and demand an ethics profile in their management practices.
- Preferably hire suppliers that demonstrate socially and environmentally responsible practices, for example B corporations, suppliers that work in the solidarity-based economy, fair trade and

ETHICAL CONDUCT CODE		Page 10 of 13	
Code: DH-01 Date of approval: August 2015 Effective date: October 2016	Scope: All Avina Prepared by: Human Development Approved by: CEO		

local suppliers.

- Even in the case of higher quality and best price, products or services will be acquired neither from productive processes that do not contemplate strategies to eliminate or mitigate the effects of pollution, that use child labor or are based on exploitative labor relations, according to International Labour Organization (ILO) criteria, nor from companies facing charges of corruption or fraud or other bad practices.
- Ensure that, in the face of the eventual hiring of a family member or a company belonging to a family member of a staff member as supplier, intern or external consultant, evaluation, decisions and monitoring of services be carried out in an impartial manner, taking into account the criteria described in this Code, and assumed by a person within the organization that has the authority and autonomy to assume such a role.
- Formalize, through a document signed by both (2) parties in which the responsibilities and commitments of each one are declared, including what is agreed upon or contracted from suppliers, consultants and interns.

4.5. Regarding allies, investors and co-investors

- Build an open and transparent dialogue based on trust that enables mutual collaboration and the establishment of horizontal relations.
- Respect partners and avoid competition in the mobilization of funds, making it clear that Avina will participate in fundraising promoting collaborative processes in which the added value of the alliance is essential and prevailing over individual participation.
- Recognize the contribution of each ally in fulfilling Avina's institutional objectives.
- Respect the intellectual property of allies, requesting reciprocity regarding Avina's intellectual property.
- Ensure that, in the face of possible support through an grant in a family member or an organization belonging to a family member of an employee, as an Avina ally, evaluations, decisions and monitoring of this grant be carried out by someone within the organization with a level or authority and autonomy to assume such a role, so that it is not the employee related to the beneficiary who decides or supervises the support provided to that person.

ETHICAL CONDUCT CODE		Page 11 of 13	
Code: DH-01 Date of approval: August 2015 Effective date: October 2016	Scope: All Avina Prepared by: Human Development Approved by: CEO		

- Responsibly assume the program and financial commitments signed with investors and co-investors, guaranteeing full compliance with that agreed upon.
- Not receive resources from organizations that carry out or finance illegal activities, do not respect human rights, or risk – through their products or operations – the lives or health of people, the environment or animals (companies involved with tobacco, weapons, and alcoholic beverages).
- Through dialogue, be open to the participation and strategic contribution of allies and investors, always upholding Avina’s values, reputation and institutional positioning.
- Recognize those external evaluation processes proposed or promoted by investors as legitimate and as an opportunity for improvement, and use the results for individual and institutional learning.

4.6. Regarding relations with society and the government

- Respect existing legislation in those countries in which Avina operates.
- Accept and collaborate with the monitoring and control of public authorities.
- Do not provide institutional support to political parties or campaigns.

4.7. Regarding relations with the environment:

- Avina commits to reducing and mitigating the environmental impact of its operations, and particularly its logistical actions. We do this through monitoring, controlling and compensating for emissions and responsible consumption.
- Travel is recommended only if the virtual participation of a staff member is not feasible for the activity’s main objective.

ETHICAL CONDUCT CODE		Page 12 of 13	
Code: DH-01 Date of approval: August 2015 Effective date: October 2016	Scope: All Avina Prepared by: Human Development Approved by: CEO		

5. Implementation Protocol for the Code of Ethics

- 5.1. The Code of Ethics is the result of the integration of Avina’s Principles and Values and its Code of Conduct, and covers various Avina stakeholders, including staff, interns, allies, service providers and internal consultants. It is expected that all members of Avina are aware of, debate, appropriate and incorporate the principles and values present in Avina’s Code of Ethics, in their conduct, decisions, and actions. In addition, it is expected that those who so wish may freely express and share their points of view on possible breaches and provide suggestions on how to improve the Code.
- 5.2. In the first instance every staff member should turn to his or her immediate supervisor to clarify, present, share or inform on doubts regarding compliance with the Code.
- 5.3. The organization encourages situations to be resolved through the natural hierarchical structure of the organization (supervisor, director of the area or human development). The Ethics Committee may be consulted in cases in which this is not viable and will be responsible for analyzing, mediating and, if necessary, conciliating and proposing pertinent measures which may, depending on the gravity of the situation, include recommendations for prevention, warnings, suspension or termination of employment. It is the responsibility of the Chief Executive Officer (CEO), according to the situation presented and recommendations made by the Ethics Committee, to consult with members of the executive team or the Board of Directors as necessary in making the final decision.
- 5.4. The Ethics Committee is a permanent body made up of three (3) staff members designated by the CEO and communicated throughout the entire organization. The substitution of at least one (1) person is contemplated every two (2) years, and the presence of one (1) person on the Committee from the Human Development department will be guaranteed at all times.
- 5.5. The Ethics Committee is responsible for the resolution of conflicts that cannot be resolved through the institutional structure itself or those not covered by the Code; for indicating measures and procedures; guiding members of staff on its application; and periodically revising the document and promoting internal discussion for its ongoing improvement.
- 5.6. In the case of a potential ethical breach by a member of the Ethics Committee, the member in question shall be replaced exclusively in this instance by the Executive Director or someone he or she designates.
- 5.7. Anyone may contact the Ethics Committee when a doubt arises regarding the application of the

ETHICAL CONDUCT CODE		Page 13 of 13	
Code: DH-01 Date of approval: August 2015 Effective date: October 2016	Scope: All Avina Prepared by: Human Development Approved by: CEO		

principles and criteria proposed by the Committee.

- 5.8. All situations shall be analyzed and studied so that decisions are taken on the basis of information supporting the case, and those involved will have guarantees regarding the handling and confidentiality of specific situations.
- 5.9. In order to facilitate internal communications and deal with queries and requests for analysis and intervention by the Ethics Committee, use of the e-mail comitedeetica@avina.net is recommended. The Code of Ethics is to be found on our intranet and is available in Spanish, Portuguese and English for all members of staff.
- 5.10. In accordance with Avina's values and principles, personal and institutional learning will always be sought even in the case of the most critical situations presented. In such cases, prevention and correction shall always be the fundamental principles allowing lessons to be learned and future breaches avoided.
- 5.11. In addition to the Code of Ethics, Avina has auditing mechanisms in place that also provide opportunities for monitoring, prevention and correction. Auditors may report on cases of non-compliance and shall, in all instances, inform Avina's CEO. Likewise, they may propose improvements to the content and procedures present in the Code.
- 5.12. Decisions regarding revision of the Code of Ethics lie with the Ethics Committee, the executive team or the CEO, and once a new version is approved it will substitute the previous version and be communicated immediately and made available to all staff.
- 5.13. A copy of the Code of Ethics shall be given to new staff when they start to work with Avina, and their signature will be requested indicating their knowledge of and adherence to the institutional principles declared in the document. All staff will also be asked to renew their formal adherence to the Code every two years.
- 5.14. The executive team will be presented with an annual systematized report of cases analyzed and handled by the Ethics Committee, indicating lessons learned and institutional decisions taken, without exposing colleagues.