

CODE OF CONDUCT AND INTEGRITY POLICIES ECUADORIAN FOUNDATION FOR EQUITY ÑEQUE

Introduction

About the Ñeque Foundation

The Ecuadorian Foundation for Equity Ñeque is a non-governmental, non-profit organization founded in 2000, based in Quito, Ecuador, and operating nationwide.

Ñeque is committed to community philanthropy as a way to address Ecuador's socio-environmental challenges. To this end, we work with indigenous, Afro-Ecuadorian, mestizo, and urban communities, especially those led by women and young people, strengthening their capacity for action to transform their territories. We start from the premise that if local communities have the means and support to actively participate in identifying their needs and are protagonists in decisions to improve the quality of life in their localities, in terms of equality, inclusion, and environmental sustainability, they will be better equipped to address and commit to social and environmental transformation.

Ñeque has a flexible operational structure that allows it to adapt to local contexts, reach areas outside the radar of traditional cooperation, and build relationships of trust, triggering positive dynamics for social, economic, and environmental transformation. We adapt our approach to each situation, community, and locality. We place special emphasis on working for gender equality, the empowerment of women and young people, and intercultural dialogue. These approaches constantly guide our work with local communities and stakeholders.

We work in three areas:

Organizational strengthening: We accompany communities and organizations on their path to autonomy and sustainability, offering tools to: a) Improve planning and decision-making, b) Implement and evaluate initiatives and projects, and c) Ensure clear and effective accountability.

Training, education, and peer learning: Ñeque develops training tools and processes that respond to the needs of local actors. We promote peer exchange, sharing experiences, best practices, and lessons learned to enhance collective impact. We address key issues such as the development of sustainable business plans, strategic communication, and project management, thereby strengthening leadership and community action.

Information and communication for socio-environmental transformation: We strengthen communities' information and communication ecosystems so that the information on which they base their decisions is of high quality and the communication channels are pluralistic, inclusive, and resonate with their cultural contexts. We also participate in initiatives that promote access to socio-environmental information at the national level and support spaces that build and disseminate narratives that contribute to socio-environmental change.

Since 2021, the Ñeque Foundation has been promoting the Ñeque Fund program, which awards microgrants to community organizations that lead actions to address socio-environmental problems, especially those related to climate change and biodiversity conservation.

In addition to direct funding, each initiative receives technical support, monitoring, and training within the framework of the Foundation's lines of action.

The purpose and scope of the Code of Conduct

The purpose of this code of conduct is to guide all of the organization's activities and ensure ethical and transparent work.

This code defines shared values and principles, providing guidelines for the practices and behaviors that must be followed during the execution of the Foundation's various activities in full compliance with current legislation and the most rigorous ethical standards of conduct.

This Code is mandatory for all members, managers, consultants, interns, volunteers, collaborators, suppliers, and service providers of Fundación Ñeque, as well as any individual who represents the organization in their words and actions. The rules stipulated in this Code also serve as a guide for action for organizations supported by the Ñeque Fund Program.

It is important that everyone be aware that any violation of these rules could result in the termination of the respective contracts or agreements and the application of corresponding sanctions.

Guiding principles of the Code of Conduct

In view of the work we do with different local partners and actors, Fundación Ñeque is committed to recognizing and respecting the dignity and diversity of local populations. To this end, it is guided by the following principles:

- Identify, characterize, and consider all rights holders and stakeholders.
- Recognize and respect historical, formal, and traditional access and tenure rights.
- Recognize, respect, and protect the human rights of indigenous peoples and nationalities and other vulnerable groups.
- Recognize and affirm sovereignty, autonomy, and self-determination.
- Incorporate the institutions, practices, governance systems, and knowledge systems of different cultures.
- Consider and integrate the worldviews, perspectives, and needs of diverse and marginalized groups, including different genders, ethnicities, and indigenous groups.

Fundación Ñeque recognizes and guarantees the right of indigenous peoples and nationalities, Afro-Ecuadorian communities, and other vulnerable groups to participate in decisions that may affect their territories, ways of life, cultural identities, or natural resources. This right is based on the Constitution of the Republic of Ecuador, ILO Convention 169, and the United Nations Declaration on the Rights of Indigenous Peoples.

In compliance with these frameworks, the Ñeque Foundation commits to:

- Conduct **prior, free, and informed consultation** processes in all activities, projects, or partnerships that may have social, cultural, environmental, or economic impacts on the indigenous peoples or vulnerable groups with whom we work.
- Ensure that consultations are culturally appropriate, respecting the times, protocols, authorities, and institutions of each people or community.
- Ensuring that participation is free from coercion or external pressure, and that the information provided is clear, timely, relevant, and understandable.
- Recognize indigenous decision-making systems, including community and collective processes.
- Respect the decisions made by the communities consulted, including the right to grant or deny consent.
- Incorporate feedback mechanisms and ongoing dialogue, ensuring that consultation is an ongoing process throughout the project cycle.

Ñeque seeks to promote the equitable distribution of benefits and costs through the following principles:

- Conservation and fair climate action: ensuring that the costs and benefits of initiatives are distributed equitably over time, between territories, and among different social groups, avoiding disproportionate burdens on vulnerable communities.
- Adaptive impact management: continuously identifying, monitoring, and adjusting actions to minimize social and environmental damage and maximize tangible benefits such as access to resources, organizational strengthening, and community resilience.
- Generation of local opportunities: promoting initiatives that improve human and environmental well-being in the territories where we operate, fostering dignified conditions, ecosystem conservation, and cultural strengthening.

Principles of conduct for the Ñeque Foundation team and all those involved in its work:

Through its actions, the Ñeque Foundation team is in direct contact with peer organizations (e.g., non-governmental organizations (NGOs), civil society organizations (CSOs)), and various public and private institutions (e.g., cooperation organizations, donors, companies, the academic sector, and individuals from community and/or indigenous organizations that are funded by the Ñeque Fund Program).

In this regard, in carrying out their activities, it is necessary that all Ñeque Foundation collaborators and actors associated with its work guide their actions in accordance with the following guidelines:

Zero tolerance for discrimination, aggression, and harassment:

None of the following attitudes and behaviors will be tolerated:

- Engaging in abusive behavior that creates an intimidating, embarrassing, or harassing environment, as well as any attitude that undermines the dignity or physical or psychological integrity of others;
- Treating others in a prejudiced manner, publishing or sharing illegal, unethical, inappropriate, discriminatory, or defamatory content on social media that undermines human dignity;
- The practice of any form of threat, blackmail, shaming, false testimony, moral, sexual, or workplace harassment, discrimination, racism, sexism, xenophobia, or any other form of disrespect for life and human dignity;
- Hostile, violent, threatening, or intimidating behavior, as well as the disruption of harmony and peace;
- Having sexual relations with people receiving care, as these involve inherently unequal power dynamics.

Health and safety:

Employees must follow the safety protocols established by Fundación Ñeque, and it is prohibited to:

- Carrying out activities on behalf of Fundación Ñeque under the influence of alcohol or illegal substances, affecting the performance, reputation, or safety of the organization.
- Ignoring basic personal and collective safety measures, such as not using protective equipment in the field, handling tools without training, or disregarding transportation and mobility protocols.
- Engaging in behavior that creates physical or emotional risks, such as verbal or physical violence, harassment, dangerous games, or unnecessary exposure to unsafe conditions.
- Failing to report incidents, accidents, or hazardous conditions, preventing prevention and adequate care.
- Neglecting one's own health or that of other employees, for example, attending activities while sick in a way that could infect others, or not respecting rest breaks during long working hours.

Reducing environmental impacts and promoting sustainable and responsible practices

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Code update: This instrument was updated on December 30, 2025.



The Ecuadorian Foundation for Equity Ñeque recognizes that its actions have an impact on the natural environment and is committed to minimizing this impact through responsible and sustainable practices.

Ñeque's actions seek to:

- Contribute positively to environmental conservation and protection.
- Promote the sustainable and efficient use of energy, water, and materials.
- Reduce the ecological footprint and institutional carbon emissions.
- Promote environmental awareness and education in all its activities and among the actors with whom it interacts.
- Reduce, reuse, and recycle waste generated by the organization.
- Promote partnerships with stakeholders committed to sustainability.
- Incorporate ecological criteria into purchasing and contracting.

Based on these principles, Ñeque will actively develop the following institutional actions:

- Promote a zero-paper policy and digitization of processes.
- Promote energy and water savings in offices.
- Train staff in sustainable practices.
- Conduct internal recycling and waste reduction campaigns.
- Prior to project implementation, identify potential environmental impacts and develop impact mitigation plans to reduce them.
- Use local and sustainable suppliers whenever possible.

Information, confidentiality, and data protection

In accordance with the provisions of the Organic Law on Personal Data Protection (LOPDP) issued in May 2021 (RO 459, 05-26-2021), Foundation employees must always observe the following:

- Respect professional and organizational secrecy, as well as the secrecy of strategic information or information relating to internal events and decisions that have not yet been disclosed, except when authorized or required by law;
- Apply the procedure for requesting permission to use personal information, in accordance with the provisions of the LOPDP;
- The non-use of images (photographs, videos, etc.) of individuals and/or allied organizations without proper authorization.

When using information about individuals and organizations, personal data protection must be respected, taking into account the following principles:

- Informed consent: explicit authorization from the owner.
- Legitimate purpose: use of data only for specific purposes.
- Data minimization: collection of strictly necessary data.
- Security and confidentiality: technical and organizational protection measures.
- Ensuring access, rectification, erasure, objection, portability, and restriction of the processing of data subjects' personal data.
- Special protection for sensitive data (health, sexual orientation, religion, etc.).

Zero tolerance for fraud and corruption:

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All forms of fraud and corruption are strictly prohibited and must be avoided by not participating in acts of:

- Bribery, i.e., unduly influencing the actions of another party by offering them money, goods, or services, or influencing one's own judgment and action by accepting money, goods, or services.
- Blackmail and extortion, i.e., harming or damaging, or threatening to harm or damage, directly or indirectly, any party or the property of the party to unduly influence the actions of a party.
- Fraud, meaning any act or omission, including misrepresentation, that knowingly or recklessly deceives or attempts to deceive a party for financial or other gain or to avoid an obligation.
- Tax evasion, i.e., facilitating the tax evasion of funds, goods, and services provided and acquired through Fundación Ñeque programs.
- Deception, meaning the misappropriation of money or property through the falsification or omission of facts in financial reports, activity reports, or other documents that account for the use of money and property.
- Unethical investments, i.e., investing funds provided and acquired through Fundación Ñeque programs in businesses or activities that conflict with the objectives, interests, or public image of Fundación Ñeque or Fundación Ñeque's beneficiary and partner organizations.
- Collusion, i.e., working together with another party to unduly influence the actions of Fundación Ñeque or others, or to achieve an improper purpose.
- Alliances with external agencies and reputable organizations, i.e., establishing agreements, conventions, or collaborations only with organizations that maintain and practice ethical values and principles compatible with those of Fundación Ñeque, avoiding links with entities whose actions, interests, or practices may contradict our objectives, compromise our integrity, or negatively affect our public image.

Policy on Traceability of the Origin and Destination of Funds

The Ñeque Foundation establishes a strict traceability system to ensure that all funds it administers come from legitimate sources and are used exclusively for purposes aligned with the institutional mission. These provisions are complemented by the Zero Tolerance for Fraud and Corruption section.

To this end, the Foundation commits to:

- Verify the integrity and legality of the origin of all funds received through financial due diligence processes, document review, and risk analysis.
- Ensuring complete traceability of the destination of resources by maintaining up-to-date, verifiable, and auditable records of allocations, transfers, and expenditures.
- Applying a "zero tolerance" approach to the use of funds in illegal activities or activities contrary to the Foundation's principles.
- Reporting and documenting any red flags or suspicious transactions in accordance with national regulations and international financial integrity standards.

Specific prohibitions

It is strictly prohibited for funds administered by the Ñeque Foundation, directly or indirectly, to be used in activities related to:

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- a) Money laundering or financing of financial crimes
- b) Illegal mining or unauthorized extractive activities
- c) Human trafficking or any form of human exploitation
- d) Illegal trafficking of flora and fauna species, including trade chains linked to deforestation or poaching
- e) Arms trafficking or activities associated with illegal armed groups

Additional institutional mechanisms

- Application of risk-based internal financial controls.
- Regular internal and external audits.
- Verification of counterparties, donors, suppliers, and beneficiary organizations through watch lists, integrity mechanisms, and reputational analysis.
- Ongoing training of staff and partners in financial crime prevention and ethical traceability.

Transparency, accountability, and regular communication:

All activities of the Ñeque Foundation will always be guided by principles of transparency. Periodically and in accordance with the Organic Law on Social Transparency (focused on Non-Profit Social Organizations) (RO No. 112, 08-28-2025) and its regulations (RO No. 153, 10-28-2025), the Foundation will develop Accountability Reports with technical and financial content on its activities and their results. These reports will provide transparency regarding the origin and destination of funds, which will always be aligned with the Foundation's objectives and its nature as a non-profit organization. The Foundation will comply with the submission of all required documentation to the competent authorities and will keep the information updated as stipulated in the Organic Law on Social Transparency and its regulations. In addition, it will comply with all national regulations regarding tax obligations for non-profit foundations.

In accordance with its statutes, accountability reports and strategic and annual planning documents will be reviewed and approved by the Foundation's Board of Directors. For public knowledge, and in compliance with national regulations, these documents will be published in the Foundation's official communication channels: website and social networks. In addition to the accountability reports, the results of the audits of the projects and the organization will be published, which will be carried out annually.

The Ñeque Foundation, through training and strengthening processes, will promote transparency and accountability among the organizations and communities that benefit from the Foundation. This promotion will be guided by national regulations, especially those stipulated in the Organic Law on Social Transparency and its regulations.

Zero tolerance for bias and conflicts of interest:

In accordance with the objectives and purposes of the Ñeque Foundation, activities are always carried out for the benefit of the community. This means that they can never be carried out for personal gain or for the benefit of an affiliated party, such as a family member or friend. All forms of favoritism or partiality must be avoided by:

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- Avoiding conflicts of interest, i.e., situations in which personal interests or those of affiliated parties interfere with the interests of the Ñeque Foundation or the organizations benefiting from the Ñeque Fund Program.
- If a Foundation employee suspects that they have a conflict of interest, they must report this in writing to the Executive Management. The Executive Management, with the support of the Board of Directors, will decide how to resolve the conflict of interest and will communicate this to the interested party.
- Be transparent about personal relationships (family ties, friendships, or romantic relationships) with colleagues, program beneficiaries, or third parties involved in Fundación Ñeque projects or organizations that benefit from the Ñeque Fund Program. If such relationships exist that could influence objective decisions, the person involved in these relationships will not be part of the selection process for contracts and/or agreements. This procedure will be recorded as support for the procedure to avoid possible conflicts of interest.
- Avoid secondary employment or other activities (paid or unpaid) that conflict with the objectives, interests, or public image of Fundación Ñeque or organizations benefiting from the Ñeque Fund Program. This also includes complying with all requirements established in national legislation, specifically those related to civil society organizations.
- Seek advice or permission for secondary employment or other actions (paid or unpaid) if you are unsure whether they conflict with the objectives, interests, or public image of Fundación Ñeque or the organizations benefiting from the Ñeque Fund.
- Report any financial interest you have in contracts, sales, or other commercial transactions carried out by Fundación Ñeque or organizations benefiting from the Ñeque Fund Program.

Socialization and knowledge of the Foundation's Code of Conduct and internal policies

It is part of Fundación Ñeque's procedures to guide its collaborators in the various aspects related to their work, as well as all the interactions and complexities of their work in the field. To this end, this Code of Conduct and the internal policies of the Ñeque Foundation will be shared with individuals to be hired as employees, making clear, at the time of hiring, the institutional values and zero tolerance for any type of violence. Partner organizations and beneficiaries of the Foundation's projects will also be presented with this Code, and the need for compliance will be emphasized.

The Foundation's team will establish regular training and learning opportunities on this Code in order to continuously improve its content and application.

The principles and elements of this code will be consistently upheld in the implementation of the Ñeque Foundation's programs and projects.

Complaint and dispute resolution mechanisms

In the event of any disagreement with the Ñeque Foundation's principles of conduct, the dissatisfied party (or interested party) may request an investigation. To this end, Ñeque has established a communication channel (info@nequefundacion.ec) for inquiries and complaints. It should be noted that any signs of violation of the policies contained in this document can be reported through the existing channels.

A committee consisting of the Executive Director, a member of the Board of Directors, and a member of the Advisory Council will be established to process inquiries and complaints. In the event that the complaint is directed at the behavior of the Executive Director, in order to avoid a conflict of interest, the Technical Director will take the place of the Executive Director.

The committee will review and evaluate the complaint and design a process for the dissatisfied party to explain in detail the reason for their complaint. Subsequently, a process for resolving the complaint and/or dispute will be defined. In addition, depending on the case, the committee will establish the remedy for the dissatisfied party. This entire process will be carried out with the full knowledge and agreement of the interested party. The entire complaint and dispute resolution process will be systematized, and the resolution will be part of a dispute resolution agreement signed by the dissatisfied party and the members of the complaint review committee.

Cases of violation of this code:

In situations that, in the opinion of the individuals or legal entities affected, suggest a violation of this Code, complaints and requests for verification must be sent to the Board of Directors of Fundación Ñeque via email at info@nequefundacion.ec.

The Foundation's Board of Directors is the body to which complaints should be addressed and is responsible for deciding on the investigation and decision. Throughout the investigation process, the right of full defense of those represented will be guaranteed and respected. In addition, anonymity will not be encouraged. The Board of Directors is committed to protecting the identity of the complainant.

Furthermore, the Board of Directors will be responsible for the investigation and decision and must follow these steps:

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- Analyze the complaint and the classification of cases of misconduct related to this Code;
- After the analysis, the Board of Directors will open a confidential procedure to investigate the case. The right to a full defense of those represented during the investigation of the case or cases will be guaranteed and respected.

The Board of Directors, in the exercise of its functions and for the duration of its terms of office, has the autonomy to initiate the process immediately and shall follow the following procedures:

- The process will begin within 24 hours of receiving the information and must be completed within two weeks.
- Depending on the seriousness of the situation, the victim must be immediately taken into care and the person reported must be immediately removed until the facts are determined;
- Summon the parties involved for oral or written explanations;
- Where possible, promote dialogue between the parties involved;
- Request additional information and/or documents from the parties;
- After review and verification, it shall issue a conclusive report and, if it concludes that there has been an actual violation of the rules of this Code, recommend that the competent authorities take the necessary measures to sanction the person or persons responsible.
- If a violation of this Code is proven, decide on the appropriate measures, which shall be proportionate to the seriousness of the violation and may include retraction or disciplinary measures (warning, suspension, or dismissal).
- When the situation allows, propose commitments to be monitored by those involved;
- Seek references that result in the representation of the conflict in a consensual manner and by mutual agreement between the parties;
- Seek legal support for cases that involve crimes and potentially legal offenses in accordance with national regulations.

Monitoring and evaluation of the Code and internal policies:

Bodies responsible for monitoring the code:

Although Fundación Ñeque employees are responsible for continuously monitoring and evaluating the Code, the Executive Management will be responsible for monitoring compliance. The responsibility for promoting review discussions, when necessary or at each annual team planning meeting, will be the responsibility of both the Executive Management and the Board of Directors of Fundación Ñeque.

The Ñeque Foundation Code of Conduct and Protection will be reviewed whenever the need arises or at team planning meetings, never exceeding a period of more than one (1) year.

This code will be updated, with its corresponding publication and internal dissemination, in accordance with current and relevant national regulations.

Follow-up will be carried out through an evaluation meeting on the subject, presenting lessons learned, difficulties, and suggestions for improving the Code of this institution.

Dissemination and accessibility:

The Code will be available on the Fundación Ñeque website and will be sent directly to

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employees, supported organizations, contractors, and service providers.